



Profit Margin Health Check



Unlock profitability in your brokerage with the Profit Margin Health Check. In an industry where guidance and resources for improving profitability are scarce, we've helped countless brokerages boost their bottom line. Let's begin your journey to profitability with The Profit Margin Health Check.



PROFIT MARGIN HEALTH CHECK

Score yourself between 1 and 5 in the following areas:



B

1	You know the recommended 2024 Market Adjusted Margin Target	2
2	You know the percentage costs in each expense category that drives your margin	4
3	You know your margin contribution per agent	3
4	You have increased your prices to your agents in the last 5 years at least as much as inflation	1
5	You are clear on the value you bring to your agents and it's dollarized value	2
6	You are confident in your ability to explain your value to prospective recruits and your agents	2
7	Your financial reporting process allows you to review actual to budget variances monthly	1
8	You understand the risk premium concept and why margin is so important in real estate brokerage	1
9	You have defined your gross margin targets by month for the next 12 months	1
10	Your financial professional delivers accurate timely and relevant reports that you can easily understand	2
Total		19

Probability of Success



Action Plan

D

	Action	By When	Person Responsible
1	Establish this years Market Adjusted Margin Target	November 30	Broker/Owner
2	Establish the percentage for each expense Bucket	December 15	Owner&Admin
3	Compare Contribution margin per agent year over year	December 15	Admin
4	Compete a monthly budget including revenue	January 10	Owner and Admin
5	Implement ICBC standard package of reports for a brokerage	Feb 15	Admin
6			
7			
8			
9			

GUIDELINES FOR COMPLETING THE PROFIT MARGIN HEALTH CHECK

- A** Use this scale to accurately assess your current business status, not where you aspire it to be. Be honest and conservative, as the accuracy of your feedback determines the effectiveness of the tools provided.
- B** Respond to each of the 10 questions using the provided scale. Insert the corresponding numbers that best describe your situation. Review your answers to ensure accuracy before finalizing. It may be beneficial to have a senior staff member complete the questionnaire independently for comparison.
- C** Calculate your final score by adding the numbers from your responses in Column B. This score reflects your brokerage's current standing in terms of profit margin improvement. If areas are not excellent, focus on developing strategies to enhance performance in those ten areas. Your efforts in increasing your score will yield greater profitability.
- D** Section D provides you an outline for an action plan to maximize profit margins and attain sustainable financial growth. Your action plan should include specific tasks assigned to individuals, ensuring clarity and accountability. Each task should be distinct, warranting a separate action item.

Once you complete your Health Check and Action Plan, the next step is to submit your work for personalized feedback from one of coaches.

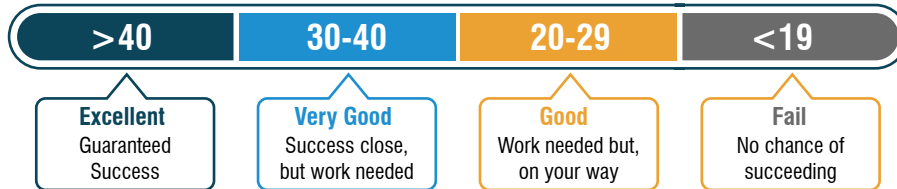
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Probability of Success



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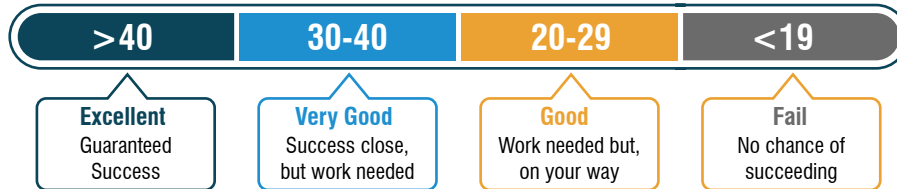
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