

The Sales Mastery Series for Real Estate Professionals

with Mike Ferry

Money Management and Profitability

Money earned is a result of the work we do, the effort we put in, and more importantly, the SERVICE that we offer other people.

If you are without money at this time and you want more of it, it is either because you did not give other people the service they want, or were not able to set goals effectively and achieve them or you could not control your spending.

Better Money Management

Give better SERVICE to everybody you talk to.

Be more fanatical on the goals that you've set.

Profit is what you have left after you subtract your expenses from your income.

Earning money and making a profit is a numbers game, like any other numbers game. Learn the numbers that are required for you to achieve the financial goals that you've set.

Business Account: 30% of each check

Personal Account: 30% of each check

Tax Account: 25% of what you earn

Savings/Investment Account: 15% of what you earn

Money Management and Profitability

Page 2

With 4 separate accounts:

- A. You learn to live personally on what you have
- B. You have money set aside for business expenses
- C. You have money set aside for taxes
- D. You have a savings or investment account

Traditional real estate office:

Your business expenses = 18-20% of your gross income

High commission real estate office:

Your business expenses = 30-35% of gross income

Money Management and Profitability

Page 3

In the real estate business YOU are the sole creator of the income.

To become more profitable, become your own best client.

Cut unnecessary expenses by 25%.

Increase your income by 25%.

Cut your expenses and increase your income at the same time.

Stop throwing money at problems.

Don't give client gifts, your service should be more than enough.

Pay your credit cards off monthly so you don't have interest charges.

Don't spend money that you haven't paid taxes on.

Respect the money that you earn by taking care of it.

Create a 6-month reserve of income.

Know what your monthly expenses are, both personal and business.

Make sure that the goals you have always include money in them.

EGO and PROFITABILITY DO NOT GO HAND IN HAND!