

The Three Biggest Business Planning Blunders (And How to Avoid Them!)

A business plan is crucial for building an efficient, profitable business strategy. But by avoiding common pitfalls, you'll be able to set your business on the right path in the coming year.

Let's be honest: Sometimes no matter how hard you plan, you just don't get the results you want.

A business plan can help you set a strategy for the year and outline the goals you want to achieve. But how often do so many business plans become merely a list of your unaccomplished objectives?

It often boils down to three main reasons: unnecessary complexity, lack of focus, and little to no motivation.

Realizing this, you can make adjustments in these three areas to avoid such common mistakes and formulate an intelligent business plan that gets you results.

Problem 1: Is your business plan too complex?

Most business plans designed for real estate professionals have too many moving parts. After all, most practitioners do not come from business backgrounds and have no training in even writing a business plan. Therefore, a common problem is to error on the side of providing way too much detail. But the more complex and detailed it is, the less likely you will be able to see through all of the gobbledygook to realize your main objectives.

Solution: Keep it simple and in easy terms. Don't reduce the goals in your plan to mere activities. There are too many possible activities to choose from! It's too cumbersome to track each task, and there are too many to focus on at one time. Out of frustration or confusion, you'll simply stop the planning process or stop using the plan. Make sure your business plan includes only what you need to manage your business.

Problem 2: Are you focused enough?

It's easy to lack focus if you have so many details in your business plan that they're competing for your attention. A change to a simple, single focus allows you to be more creative and work smarter. In addition, a more concentrated approach significantly reduces stress on and off the job.

Solution: To improve your focus, reduce your measurable goals in your business plan to initial appointments with new clients, and stop there. Do not discriminate between listing and buyer appointments. Count them both.

Why just target initial appointments? After using this model with thousands of real estate professionals all over the country for more than a decade, I've found an accurate rule of thumb: Modestly competent professionals with at least one year of experience will execute a successful transaction with at least half of the new clients with whom they have an initial appointment. That means every two initial appointments lead to a sale, roughly. Forty new appointments for the year lead to 20 sales.



Here are some other benefits:

- As you make initial appointments each week, you'll naturally focus on the best ways to generate the appointments and your skill at turning those into sales.
- The initial appointments are a measure that makes it easy to identify which skills or systems are your greatest weaknesses or strengths.
- You'll make better decisions about what to do, what to buy, and what to learn next. This will save you time, money, and frustration, and give you more confidence as you go forward.

Problem 3: Are You Motivated Enough to Achieve These Goals?

Your purpose is your reason for doing anything. "Why" you do something drives you to action. If you haven't identified the "why," then your business plan will likely fall flat.

Solution: Consider your business goals and your purpose behind those goals. This will create a deep and lasting motivation and prevent you from feeling powerless and mediocre.

Before you set your measurable goals, do the following:

1. Write down at least five answers to the question, "What do I want my business to do for my life? What do I want my business to accomplish for me and my loved ones?"
2. Then, ask yourself, "Why do I want that?" And keep writing those answers down and continually asking, "And why do I want that?"
3. Continue to ask yourself these questions until you have an emotional response to your answer and arrive at an answer that excites you. Sometimes this excitement occurs immediately; sometimes you have to live with that question on your mind for a few days to let your subconscious work on it.

Eventually, you'll have an answer that makes you say to yourself: "That's why I am willing to do whatever it takes." This adds tremendous power and purpose to your efforts, goals, overall plan, and everyday work.

Measure Your Results

These three easy changes are necessary to successful planning. But, don't forget: You have to hold yourself accountable too.

Every working weekday, before you open your e-mail or make a phone call, take about five minutes to think about the results you're getting. Use this time to think about your "what" and "why." Update your appointments, sales, and listings.

Then, once a week, instead of five minutes, schedule a half hour to consider these issues. After you update your results, ask: "What can I do for my business this upcoming week that would make it even more successful, even more enjoyable, and even more profitable?"

Such constant reflection will help you stay focused and motivated and ensure that your next business plan isn't just a wish list but that it soon becomes a list of what you've actually achieved.

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