



Business Plan

“Make Friends – Serve People”

Dear Partner:

This is what I consider the most detailed and sophisticated business plan for a residential real estate agent in the industry today. It is an accumulation of tried and proven business practices in this and other industries, and focuses on the following three things:

- 1. Simplicity*
- 2. Sustainability*
- 3. Success*

When I set out to develop the best business plan, I had three goals: First, that it would be useful when it was adopted by my Partners, second, that the growth of their business would be sustainable and third, that most of my Partners would be able to understand and execute it.

I have combined what I have experienced as both an entrepreneur and real estate professional and have added proven systems and effective processes which have been sustainable through exploration and experience.

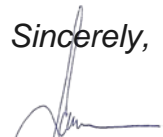
I focused on what is likely to be possible for an excellent real estate agent and also what would feel right for someone with a strong moral compass. In doing so, I avoided anything gimmicky, inauthentic or not in the best interest of the agent's client.

I want to provide you with step-by-step instructions in the most specific way possible ensuring that your time and energy is spent on perfecting the process rather than trying to figure out the details.

Be consistent, be patient, and be fanatical about full adoption. If you follow these steps, you will build a business which is both stable and wildly profitable.

Together, we will work to build you something GREAT!

Sincerely,

A handwritten signature in blue ink, appearing to read 'James Becker', with a large, stylized initial 'J'.

James Becker

Executive Summary:

**“Fanatical dedication to consistency coupled with a simple formula and methodology will equal great business success.”
-Jim Collins**

What is a Business Plan?

Building a business is one of the most difficult yet exciting and rewarding challenges one can undertake. Ensuring your best chance for success by doing things your competitors probably aren't doing is the key; most fundamental is developing a winning business plan early on. The value of a business plan lies in its use of proven strategies coupled with consistent and focused execution. Implementing the method requires further education and assistance to be the most effective. What is necessary to achieve the plan best should also be understood entirely and be included as a part of the initial program.

A business plan should be considered the “road map” you will follow to reach the destination you have chosen, the achievement of your goals. It is crucial to not only define your destination as accurately as you can but also to consider possible factors that may affect your ability to execute the plan successfully. The program needs to be achievable by implementing reasonable means and efforts so that you will be able to sustain the execution of your project until completion.

About Our Business Plans

The best business plan will follow a simple set of well-researched practices that are commonly used by companies that have shown sustained success over a significant period. In a study conducted by Stanford University, top executives of highly successful businesses were interviewed to find out what they felt made them successful, and all without exception were found to share one thing in common. They ALL admitted to being “fanatical” about deliberately and consistently executing fundamental business processes, like you and I they had no magic spells or secret information. They merely

implemented tried and proven plans for success modeled after carefully researched methodologies shown to yield consistent results. Fortunately, these are the kind of results we too can expect by merely putting a solid plan in place and executing that plan with pinpoint focus and unyielding determination.

A business plan will have at its core a set of realistic goals with a precise and measurable way to achieve them; a summary of direct and defined strategies that contains an outline of simple systems to measure and make your progress. Your plan is described in a nutshell and sets you apart from most of your competition.

Business Plan Objectives

- Provide significant value to you regarding ROI in time, energy and capital
- Provide a solid formula which will serve to increase your net income annually without added time, effort or investment
- Reduce stress, anxiety and the feelings of doubt and uncertainty that accompany business ownership
- Provide a system of success that simplifies the sales process and allows for an increasing amount of time freedom to enjoy other aspects of life which are essential to you
- Provide a business model through which business growth can be consistent, stable, and sustainable

Allocating Resources

The Business Plan helps and assists the CEO to focus on the proper and adequate allocation of resources. Time and energy are the business owner's most important assets, and they must be wisely allocated. The tasks in this plan are designed to ensure efficient use of these precious commodities.

Why a business plan is not an option but a necessity

Less than one percent of agents who enter the real estate business will ever realize long-term success. At Fusion Growth Partners, we define long-term success as a ***sustainable annual net income starting at \$100,000 minimum and increasing each year.*** Some agents exuding boundless charisma and energy will start strong and succeed initially only to discover that those qualities on their own can only serve to provide temporary success. These individuals reach an inevitable sales/earning plateau to only then realize that without taking the additional measures to ensure consistency in obtaining future sales that doubt, fear, and burnout will gain a foothold and begin to

diminish their career earnings; as it did many before them.

Research evidence reveals that the most successful businesses develop and follow a business plan. If you foolishly choose to ignore this fact, then you risk your future business as well as the precious time and effort you've already invested. Can you imagine an accomplished investor placing his trust and resources into a company where there is no defined plan of action with measurable goal milestones in place to gauge progress or success? Of course not. We'd all agree that high stakes gambles like that are foolish and precisely what most agents are in effect doing. Agents are placing big bets (their income, time, energy) with only crossed fingers in their favor. They are gambling their entire career on factors that are not sound or effective. They are mostly planning to fail because they have been unable to prepare.

This unfortunate but common oversight causes most businesses to produce erratically and spurt with various peaks and valleys in business income, and this cycle weathers many agent's passion and energy. Ninety percent of all agents are out of business within the first three years with the remainder who managed to survive that attrition rate, fatigued and headed for reduced sales production by the five-year mark.

Make no mistake, as a real estate agent you own and run your own business. The way to NOT make the common mistakes others make is to realize that as a business owner you need to do what other successful business owners do. It is imperative that you develop and execute with focus and unyielding determination an effective business plan geared toward success.

Planning has no value without execution.

While most agents do much brainstorming and come up with some creative ideas, there are very few who follow through and convert these strategies into a workable business plan. An idea is only valuable and practical when it is carried out. Let's face it, most of us are NOT well trained or well experienced in effectively transforming concepts into actions. Even if we are fortunate enough to have some examples of times we could put an idea into effect, we most likely did so in a manner which wasn't methodical or time-tested. We most likely neglected to consider and include other crucial factors which can potentially impact success.

Fusion Growth Partners helps you to avoid this common error by ensuring that you adopt active systems fully through our Advisor relationships.

Platform: Fusion Growth Partners

Fusion operates as a business accelerator and micro venture capital firm for the business owner/partner. We will provide direct support to the business owner for marketing, customer satisfaction, and team building—without cash outlay. Services provided by Fusion are considered an investment, and Fusion will participate in your future gross revenue.



Stages of Building a Business on Fusion's Platform

When building a business, there are four main stages that you must go through for it to become successful.

Structure / Framework for Business Growth

Fusion has invented a structure within which to start, build, grow and sell a residential real estate business. Pictured below is Fusion's primary business stages, with descriptions to follow.

Groundbreaker-Building the Factory

The first stage is to prepare all the items that you will need to operate your business efficiently. During this stage, Fusion will build a comprehensive business platform specific to your goals. Core elements include proven work processes, client database development, individualized branding, internet presence, team strategy systems, sales presentations and procedures, and more. The platform is complete with coaching and training for implementation.

Rainmaker-Client Acquisition

This second stage is to build a clientele that will use and refer your services repeatedly. This stage includes all the processes that will introduce you to new potential clients and

the systems that help you nurture these valuable relationships.

Fusion's internal staff kicks into high gear as we work in conjunction with you. Together we execute the business plan and operate the newly designed client acquisition systems to generate consistent new business and establish a trend of increasing revenue.

Team-Maker-Expansion

After your success from Rainmaker has created an abundant and steady business, you will have come to the stage where you must hire other licensees to continue to provide outstanding service to your clients. However, you will want to do this in a way that highlights *your* skill, *your* business, and *your* relationships. Fusion creates an individualized framework in which the team will work cohesively to ensure that all services will be provided at the absolute highest level possible. We work together with our partners in all aspects of team-building, including recruitment advertising, interviewing, employment contracts, training, and coaching.

Profit-Taker-Retirement/Exit

Once we've built a stable and profitable business and developed an outstanding management team to run it, the business owner/partner will have an opportunity to withdraw from an active role. It is in this portion of the process that a decision may be made to sell the business outright and enjoy dividends from the years you've contributed to working the business plan effectively and consistently.

Areas of Concentration

Start with offering Real Value

Most Real Estate Agent's businesses start with how to "sell" an agent's services with little regard to the value that the agent provides above and beyond the norm. When an agent's service is on "par" with thousands of agents in an MLS system competing for the same business, as well as other technology businesses like "Open Door," makes for an uphill climb, no matter how wonderful the agent's sales skills.

So many agents choose to ignore how they buy products and services themselves thinking that somehow their clients are different. Most consumers and highly sophisticated clients want real "value" for their money.

The best salespeople are those who sell services and products that they hold in high regard. You need to build a level of service that YOU KNOW is special and by far above your competition. If you create a service that has much value for the clients, the easier it is to win the business. The more clients you will have, the more referral and repeat business and eventually a higher return for the time and money that you invest in your

business.

Become the business or professional YOU would hire

Most of our Partners hold lofty standards for those we elect to do business with, regardless of the type of the company. We want to deal with people we trust, people who are responsive, people who listen and people who try to make a difference. If we do not receive an elevated level of service and value and our interactions are less than satisfactory, we are often critical of those companies or services. We would not refer them to a friend or colleague.

If we hold ourselves to the same lofty standards that we hold other businesses and people, this one exercise alone would drive up our value significantly. Spend more time focused on how you want to be treated. Be honest with yourself and allow this to be your guide for how you manage your touch points.

TouchPoint Management

Prospective clients will decide on if to do business with you based on the impression you've left on not only them but also others they may know who have experience with your service. It boils down to staying mindful of this each time a client or prospect reaches out and connects in some way with your business (with YOU as the "brand") or when you reach out to them.

Every single point of "touch" is essential if you want to create strong alliances where prospects and clients consider you a trusted advisor. You want to create raving fans who are in love with your service and business so much that they can't help but spread the news to others.

Love of your service and your brand is what scales a business and enable it to expand. Love is what gives business longevity. It is the absolute goal if success is to be attained. Love is created when it shines through with every "touch point" and interaction an individual has with your business.

To figure out how to get a client to fall in love with your brand (YOU and YOUR business), you must consider each "touch point" as it is occurring at the moment and work to make every single one amazing. In your business plan, we will identify and outline some best practices to get this accomplished.

Eliminate guaranteed failure mechanisms.

There are three ways that you can GUARANTEE mediocrity in your performance and results:

1. Seeking new strategies continually instead of executing and focusing on one consistent one.
 2. Trying to invent everything on your own instead of building that one strategy on proven existing data/processes.
 3. Lacking an intimate knowledge of the necessary details in your plan and process.
- Guaranteed failure mechanisms can be anything that is inconsistent with your result or contrary to your chosen business methodology.

The most significant failure mechanism: Ineffective Use of Time

We all have a finite amount of time and attention that we can spend on our business. This time must be carefully guarded. Significant advances in the industry do not typically come from one big decision or act, but instead, come from the consistent progress in finding and improving minor inefficiencies over a period. The accumulation and compounding effect of many small improvements can be dramatic.

Work time should be spent only on servicing clients directly or building new relationships and nurturing existing ones. Ideally, the business owner should have a very active social life, developing friendships with people who will be likely to consider using their services when they or someone they know has a real estate need.

The second significant failure mechanism: Not Staying the Course

If a business owner implements too many different strategies or is continually trying new things without the time to find and develop increased efficiencies, it is likely that any approach implemented will be executed at a level that generates disappointing results. This behavior is one of the most common problems facing real estate practitioners. One of the most recognizable ways we see this failure mechanism manifest its self is through the failure to market correctly. This mistake, unfortunately, yields a loss in consistency which we have already established is a significant key to success.

In Jim Collins' study of "Great Companies" there was unveiled a commonality among twenty amazing companies with long-term success. The underlying denominator of these companies was that each company chose their business methodology and then practiced fanatical dedication to exercising a simplistic formula for business growth; not coincidentally like the results of the study cited earlier, conducted by Stanford University.

Elements Needed for Success

The Power of Concentration and Finding Subtle Nuances

Drifting from your business strategy and methodology is easy. Preventing this standard error is critical. You don't need to reinvent the wheel. You need to build on what is already in place. A fitting example of this can be seen in the improvement of man's

ability to fly, starting with the Wright Brothers' first flight. The speed, comfort, and safety we enjoy today derived from a series of small, seemingly minuscule improvements over an extended period. The compounding effect of this resulted in our ability to safely fly from coast to coast in relative comfort and security in just a few hours.

Another poignant example is when we imagine two artists with unique styles and creative perspectives performing the same piece. One may make you cringe while the other rendition may be so beautiful and emotionally touching that it brings you to tears. This is because talented artists practice their craft and refine subtle nuances that make significant differences in the final product and experience.

If you are always looking for or chasing the next trend, it will be impossible for you to invest the time to discover the nuances that make your brand uniquely YOU and work genuinely useful. Instead, stay the course and make small adjustments to be better and better. The accumulation of those improvements will pay huge dividends.

Personal Responsibility

The business owner's work ethic and dedication to win the trust of their clients and a strong connection to their community are the anchors of executing a successful business plan. The business flourishes because of the owner's commitment to exuding LOVE for people and wanting to achieve the best outcomes for his or her clients.

A fundamental tenet of this Business Plan is that you must become the agent you would hire. You must provide services equal to, or better than, the Agent you would employ. It is critical that you develop, dedicate, and even become fanatically passionate about providing the highest level of service possible to your clients.

Routine / Process

Businesses are built around routine and process. These are needed in all stages and all parts of the company, without them mediocrity is assured. A successful business will be guaranteed if built with great routines.

Measurement / Improvement

Would you ever invest in a company that was not doing proper accounting? One that was not measuring ROI on specific advertising campaigns? How about pouring your resources into one that continues to pay employees that don't show up for work?

"Of course not!" you might say. However, if you look closely, you'll find that you probably already are, and you don't realize it. Your business IS a business, yet most agents do not measure their effectiveness, their ROI, or how many hours they work.

Every great advancement or business comes from measuring variables and analyzing

those measurements. Human flight, medicine, athletics, energy efficiency, did not improve without weighing the difference between various inputs and outputs. Since your goal is to build a better business, you will need to start explicitly measuring your inputs to increase your outputs. Failure and mistakes are no longer your enemies. Instead, they are your friends. By being aware and quantifying your errors, you can more accurately and individually assess those practices. In doing so, you will correctly identify what needs to be adjusted to develop success.

When you tweak processes as a step in taking corrective action, systems will fine-tune and improve over time. The collective improvement will pay off more significant than you can ever imagine.

20 Mile March

Once you decide which of your actions and results to measure, you will need to determine how to quantify the best and how to utilize the information you gather effectively.

Most agents do all the business they can when the business is flowing in and then go into a holding pattern when activity slows down. Studies have shown that long-lasting companies that outperformed their peers ten times over did so by implementing a version of what Jim Collins calls the "20 Mile March", or steady movement forward in good and adverse conditions. See an excerpt from page 65 of his book "Great by Choice" to learn about the elements of the march.

"The 20 Mile March requires hitting specific performance markers with GREAT consistency over a long period. It requires two distinct types of discomfort, delivering high performance in difficult times and holding back in good times".

"A good 20 Mile March has the following seven characteristics:

- 1. Clear performance markers*
- 2. Self-imposed constraints*
- 3. Appropriate to the specific enterprise*
- 4. A proper timeframe – Long enough to manage, yet short enough to have teeth.*
- 5. Is mainly within the company's control to achieve**
- 6. Consistency*

Managing the "Inputs"

I highlighted number 5 because this is a most critical element to successful business planning; to place focus and energy on those factors, you CAN control. There are so many elements operating around us for which we have no control, factors such as the current state of the market, interest rates, how much it rains, or the behavior of other people. It is imperative to focus your time on what you can control and to build your business on inputs and actions evidenced to have a high correlation with business growth.

Consider this in contrast to where the focus most often lies- the profits and output of your business. In most cases with real estate agents, this is defined as the amount of commission earned. There is not much analysis of how it was obtained or whether growth will or can be sustained. Focusing on results does not provide for a specific understanding on which of the inputs (such as personal effort or time) were responsible for the results achieved.

If you do not develop efficiency in your workload, time and effort, your business will eventually stop growing and will fail to produce consistent results. Focusing on the type of activities you spend your time doing, and the rate at which you do them ARE under your control and will contribute to the generation of prospects, meaningful connections and a building involvement in your community where you will impact potential spheres of influence. This will, in turn, correlate with a steadily growing income.

We can all agree that this is a struggle for many agents. It is because we understand the challenges involved in initiating and sustaining effective work habits. Our partnership with you includes access to coaches who will work hand-in-hand with you to help keep you focused and maintain a sense of accountability to someone other than yourself.

The 20-Mile March theory is something we strongly advocate. We address it fully and identify it as an essential aspect of our program in the form of the Fusion point system which we will cover in detail later.

Business Revenue Engine

Every thriving business must have an engine that generates customers, clients, and ultimately revenue. This engine is the center of the business from which all potential success will flow. The driver from which our customized Business Plans operate involves identifying and fostering spheres of influence who can participate in you securing a healthy cash flow as well as expand your geographical marketing.

Sphere of Influence (The Main Engine)

Proper utilization of a Sphere of influence, or "SOI," is the absolute best way to generate fast business. The National Association of Realtors reports that 82 percent of all closed business is derived either directly or through referrals from an SOI.

If the SOI is the central vein for mining gold, then why start anywhere else?

What is an SOI contact? At Fusion, we consider a legitimate SOI to be someone who fulfills all the following requirements:

- Someone whom you have personally met.
- Connected through a community with other people you mutually know.
- Lives in the geographic area you serve.

The reason an SOI is so convincing as a business engine is because these contacts will already know you and have a level of trust that you can build upon as opposed to being complete strangers.

The SOI building process is about making friends, serving people and networking with others to eventually develop a wealth of potential clients.

Geographical Farming

Your sphere of influence has the best and quickest return on investment per person but is limited in how fast it can expand. Geographical farming then is the best way to scale a successful real estate business. What is geographical farming? It's choosing a geographic area, typically a selection of neighborhoods, and marketing to all homeowners in that specific area.

The benefit of geo-farming is that you are unlimited in the number of contacts to whom you can market because, unlike with a sphere of influence, it isn't necessary to have met these individuals personally before marketing to them. Because the marketing is specific to a neighborhood, your business awareness will be concentrated in a smaller area and thus have a similar effect as the SOI over a prolonged period. Throughout the process, you will become a local area expert and the go-to contact for those specific neighborhoods.

The main difference with geo-farming as compared to the utilization of a sphere of influence is that it takes longer to establish a profitable foothold because of the lack of initial familiarity with you and your service. It will require more of an investment to build those contacts to the level of becoming collaborators in the success of your business rather than cooperative prospects.

The two central communities that we market to are:

1. Your sphere of influence (SOI)
2. Geographical farm (Geo-farm) in the area in which you live and work

Step One: Begin to identify and develop SOI contacts with the purpose to gain exclusivity to their referral base by further investing into that relationship and finding ways to help them as well. Make it a win-win.

Step Two: Start a geographical farm and grow it. Dominate your chosen area by increasing your visibility in that community and earning a reputation of being a person of integrity who authentically wants to be of service to those buying or selling their home. Be creative in finding ways to connect with people and building familiarity and trust.

Essential Marketing Elements to dramatically increase ROI on Marketing Dollars.

- **Theme - the overarching message you are communicating**
- **Frequency - the number of times you contact potential clients**
- **Modality - the different formats by which you market**

Marketing is both an art and a science. You have a baseline for successful campaigns with these three elements, but there are still many different directions you can take within a chosen campaign.

If you look at any successful marketing campaign from a critic's standpoint, you can better recognize the strategies and processes they are using. Progressive Auto Insurance's marketing campaign and the characters they've developed, for example, has come to be familiar with the most television watching Americans. They've been very successful at grabbing our attention and holding it long enough to become familiar with its upbeat spokesperson, Flo.

Flo embodies Progressive's *theme*. While quirky and a little strange, she is above all enthusiastic, knowledgeable, and helpful. Progressive's goal was to communicate that their real-life employees and company share the same qualities of enthusiasm with solution-based attention to customer concerns.

Appearing in over a hundred different commercials since 2008, each of which aired dozens of times per day, Flo is also a prime example of *frequency*. A single ad would not have made nearly the impact that earned Progressive the top-of-mind status they enjoy today.

It is important to note that Progressive does not limit their marketing efforts to television commercials only. They maintain *modality* by including Flo and her message on billboards, bus stops, online ads, and additional media. Progressive's message is all-encompassing and continually reaching our awareness in new formats. Through this methodology, Progressive has held the attention of their target audience for nearly a decade. Who do YOU think comes to mind first when consumers are considering options for car insurance?

Branding is the key

With both SOI and geo-farming, strong branding is vital for achieving a return on your investment and generating long-term results. Consistent branding will ensure a top-of-mind placement and a stable presence among your SOI network as well as prospects within the neighborhoods you farm.

Consider Campbell's soup's marketing efforts for example. You instantly recognize the Campbell's logo, you know them as the biggest name in canned soup. You've probably seen hundreds if not thousands of their advertisements over the years. A Campbell's commercial may not inspire you to go out and proactively buy a can of soup, but you're most likely going to be swayed when you're in the soup aisle at the grocery store. Campbell's counts on a compounding effect of their branding over years of exposure. The consistency of their brand builds a sense of trust for consumers.

It's for that very reason that we stress that individual branding is featuring your name. As you market to the same group of people with high frequency, you too will invoke a sense of trust and familiarity. Your ROI can grow exponentially as your name and reputation are built in the communities in which you work. The people there will come to know your name and your brand and will associate those with the excellent service and a reputation for doing client-focused business with integrity and fairness.

Sales Process

1. Work for the Interview

We want our agents to work to obtain interviews, so they are considered and chosen for the job of a real estate agent. It is okay to earnestly ask for an interview, letting the prospect know that not being selected is okay and a decision should be made solely based on the individual they feel can best assist them and lend adequate expertise and industry knowledge to the task of selling or buying a home.

Potential clients are more likely to allow you to tell your story and list your services if they feel there will be no financial or emotional consequences for not choosing you. It is vital that you make that clear to them at a foundational level. If they are genuinely convinced that it is ok NOT to pick you, often they will allow you to tell your story, and you will earn their business.

2. Offer More Value than Anyone Else

Once you have earned the interview, it becomes critical to offer more value than any other agent so that your client feels it is in their best interest to hire you.

3. Deliver on What You Promised

Finally, when you obtain the privilege to function as someone's agent, it is now your responsibility to deliver above and beyond what you promised. You want to be so outstanding in your level of service that you will be as remarkable as driving by a "Purple Cow" (as Seth Godin writes about in his book of the same name) among all the brown cows.

If you ARE genuine, exceptional people will talk about you and your service. As a result, through word of mouth and your excellent reputation, your business will only continue to grow.

Business Growth is Difficult

It can be difficult for small business owners to transition from the person who does everything in and for the business (meaning they *are* the business) to delegating some tasks to others.

It takes a lot of courage and commitment to growth to let go of the reins and allow yourself to build a business in which you find and trust others to perform low and mid-level business tasks. Many business owners don't want to do everything themselves, but they can't seem to let go and trust other people to step in and take over specific tasks. The business owner may feel they can do a better job than anyone else and though that may be true, they are limiting the potential of their success by insisting on doing the tasks which would be better delegated to others.

Seeking Incompetence

When you create a level of incompetence that goes on unchanged for a period that must be course corrected. That is why business advisory services and coaching are so critical. Looking to your business advisor who understands this phenomenon can help you identify and navigate any issues you may be challenged with as well as make the necessary changes to get on the right path.

Realizing and admitting incompetence is incredibly uncomfortable. Unless you recognize and identify a period where you worked in an incompetent manner, you will not be able to effect change. Without making necessary changes and realizing your mistakes, you will repeat the wrong actions in the wrong way with the same

disappointing results.

Courage is required. Being out of your comfort zone and being willing to journey through to more discomfort is a prerequisite for growth.

You can bear the discomfort and pain that result in success or the discomfort and pain that fail. As a business - owner wholly in charge of your future the choice is YOURS to make.

You Must Make a Choice

You must make a choice. Either you choose to do everything by yourself forever, or you transition from being a business to be a business owner. If you want the latter, you must be willing to give up some control and to become a leader. This is what Fusion's Business Advisors help you do more than anything else.

We are not meant to do life alone. We are not expected to do business alone. Without a good team and a good coach, we have zero synergies and operate only on our insight.

For that reason, savvy individuals who have significant responsibility or hold a power position consistently seek out the counsel of others. Those who do not are losing tremendous opportunities.

It is important to work directly with your advisor so that you are not one who is losing out. You will receive help in utilizing the Business Plan to its fullest potential. Your advisor will take you through the process of discovering what should be eliminated or changed and will help you implement those changes to your business.

Besides, an advisor will keep you accountable for what YOU want to do. Accountability is one of the greatest strengths of working with a coach. Remember it is difficult to get a truly objective answer from yourself about your business, but your advisor will always tell you the truth even if you do not want to hear it.

Building a Sphere of Influence

Keep the main thing the main thing!

We have placed the SOI chapter at the beginning of the business plan even before Groundbreaker because we want to be clear that your sphere of influence is the Main Thing. Without a robust SOI, the business plan does not work at all.

What is a Sphere of Influence?

The Sphere of Influence (which we will also call “the sphere” or SOI) is a circle of friends, family, acquaintances, and past clients with whom the business owner can develop influence. The first “Business Engine” is an updated database of these people.

Ultimately, these contacts are part of your sphere. The difference between how you manage diverse types of relationships is subtle. For example, with past clients, you may or may not have more of a business tone than with your regular sphere.

The Sphere of Influence is the “Main Thing” and the best business engine ever!

The sphere of influence is the "main thing" in our business plan, and is merely the most effective, inexpensive, and profitable source of business for real estate agents. Your sphere is the marketing avenue that is most likely to produce long-term success leveraging the energy and effort from previous years to build an unstoppable business momentum.

In the beginning, your focus must be on developing the engine that drives your business forward!

Here is why:

It is critical to have efficient and cost-effective marketing to build your business. Businesses selling different services bombard the public with constant advertising messages exposing the average person to over a thousand advertisements every day. By 2019, \$2.1 trillion per year will be spent nationally on marketing. Most individuals have developed an ability to ignore these advertisements by creating mental filters.

Marketing to a group of people who know you allows you to penetrate those filters. People notice and read marketing messages received from someone they know more often than from those they don't know. Your sphere of influence will consider using you more than people who don't know you because they trust you to take care of their interests. However, they will still choose someone else if they do not believe you as an agent are skilled and will work hard on their behalf.

Beyond the marketing, beyond the postcards and letters, beyond everything else, you must always be professional. To ensure the highest rate of success in reaching your sphere it is critical that you be fanatically dedicated to professionalism, improving service, and staying current and knowledgeable.

Groundbreaker: Building the Factory



Branding Package

One of the initial things that need to be completed is to work with our **Marketing Development Team** while the business analysis is being conducted. They will create custom artwork to ensure that **your brand** is visually appealing. The branding package includes, but is not limited to, the following:

- a. Professional Logo
- b. Letterhead
- c. For Sale Signs
- d. Open House Signs
- e. Business cards

The goal is to finish within one week of signing your contract.

Our Marketing Development Manager will schedule a branding meeting with you. During

this meeting, our team will guide you through the process of developing a professional and personable look for your business. This meeting will help our team build stationery, marketing pieces, website, and online presence. After the session is complete, you can expect the following development to take place over the next week.

- **Logo** - Our design team will review the notes from your meeting to develop a few design concepts.
- **Stationary Package** – Once your logo design is approved we will begin building your business stationery package. The fully branded materials will be provided to you to review and approve.

Once we have established your branding, our team will be able to begin constructing your online presence and marketing material development while you continue with your onboard team in developing your database.

Database Development

One of the most crucial elements is to build your database of the sphere of influence contacts. Ideally, in the next year or two, you should be able to construct an SOI of at least 500 people. Once that is built, most Partners will have the ability to generate between 25 and 50 transactions every year. This database will give the Partner the "Free Cash Flow" to reinvest into building a geographic farm to scale the business towards 100 additional transactions, but it all starts with making the SOI.

It is required that you build a database of at least 250 initially. The Fusion staff will help you complete this initial process through the following steps:

Step One

Fusion will download all your contacts from Facebook, your email account, your cell phone, LinkedIn and other programs that may contain SOI contact information. Our staff will be able to guide you through this download process so that even a non-tech-savvy agent can provide us with this critical piece of development. Once our team has these materials, we begin the development process.

Step Two

The Fusion staff will begin a process which we refer to as a database scrub. We will be combining all your database information and start organizing, cleaning, merging, and removing duplicates. This allows your database to be coupled into one organized spreadsheet. Once this spreadsheet has been prepared, you will receive a link to your spreadsheet and your advisor will walk you through to the next development phase.

Step Three

The next phase is selecting a master list of your sphere of influence contacts. Your advisor guides you through the process so you that you can complete this task

efficiently and on target with your business's planned growth. **Be prepared! This is one of the most critical steps to the development of your business, and it can also be one of the more time-consuming steps.** Expect to work for several hours on this task. After you've completed your selection, your advisor will make sure that we are staying on track to meet your business development plan and then proceed with the next step.

Step Four

Once you have approved your SOI selection, our team will begin the next phase which we refer to as the database research. Each selected SOI contact will go through a research stage online to seek out missing phone numbers, home addresses, and email addresses. Once the entire database has been researched, our team will contact you to complete the next step.

Step Five

Once your database has been researched, we will need to complete a review with you before confirming that the database is ready for marketing. Our staff will guide you through the spreadsheet to show you all the latest information we have found for each of your selected SOI contacts. You play a critical role during this review stage. Only you know who your contacts are, so we need your help to confirm the spelling of names and correct contact information for each person in your database. It is essential to be prepared for this meeting. Depending on the size of your database and how much information is needed to assist you with researching, it may take some time to review.

This stage is critical to the effectiveness of your marketing and future business growth. Your advisor will guide you through a proven process to make sure we stay on track. Your marketing cannot begin without a completed database! This task requires your highest priority.

Step Six

Once we have completed the final review and approved your database, we will prepare the handoff to your marketing team for its remaining management. This consists of uploading your database into the CRM system so that your marketing team can stay directly connected to your database for all future updates and marketing needs. Each agent will have direct access to this database at any time. You now can make updates, changes, notes, and future additions to your SOI.

Marketing Plan Development: The Essential Elements

Most agents feel as if they understand marketing and consider themselves knowledgeable on how to successfully market. But, most agents try one marketing piece to one specific group of people one or two times before quitting the process. Other times the marketing piece they send is not consistent with previous articles, and the recipients do not connect them. Most agents' marketing is nonexistent or inconsistent at best, yet they are consistently looking for or thinking of the next marketing effort they will try.

At Fusion, we have spent a tremendous amount of time studying the essential elements in a marketing campaign and identifying what every good marketing campaign must have. Those three essential elements are the following.

1. Theme
2. Frequency
3. Modality

Theme

Any good marketing campaign is going to have a consistent theme. A theme is defined as the main idea or underlying meaning of a literary work that may be stated directly or indirectly. There must be a theme with our marketing campaign, or else the person to whom the message is directed will be unclear about what the marketer is trying to say.

If we look at Progressive Insurance, they have "Flo" who is their mascot and spokesperson. Flo's personality is that of a person we can trust, someone who is stable and safe, and she informs the audience of the value of Progressive's product. For Progressive, the two main themes are safety and trust.

Fusion's marketing has three main themes. The first is that buying or selling a house is a big deal and hiring the right agent is vital to have the best experience. The second element is that the agent sending the message does not claim to be the best but believes they may be an excellent choice and would like to interview for the job. The third element is that it is ok not to hire that agent.

In our experience, if an agent gets the interview, they will almost always be awarded the business.

Frequency

The frequency may be the most necessary element of the three essential elements. Frequency is the number of times that a message is delivered to the marketer's audience. So why is frequency so important?

First, you need to make sure you are noticed and remembered. As individuals, we are consistently being marketed to, and most people see thousands of advertisements daily through TV, radio, email, Facebook, etc. However, we have programmed ourselves to move on to something else merely. Only companies who are committed to repeatedly communicating with an audience will find success with the consumer. In other words, the consumer subconsciously demands that marketing fully commits to winning their attention by marketing and sending messages repeatedly.

This might seem annoying at first, but a funny thing happens with a frequency that you may not expect. People start to become familiar with your brand, your theme, and your value. The number one element of trust is familiarity. To trust someone, you must be

familiar with them. The fact that a company or a business stays open and continues to have the capital to advertise indicates that many individuals are buying their services providing them with the revenue to continue to promote. Consumers say, "If you last, you must be good. And if you are good, I will give you a chance."

Modality

Modality is the mode in which something is expressed. In the case of your marketing, it is critical to have several different modalities while maintaining the same theme. If you only send the same message repeatedly your audience will start to ignore it, or worse become annoyed. For us to be as effective as possible it is crucial we vary our message but continue with the same underlying themes.

Telling your Story through your Story Letter

The marketing technique in this Business Plan is to use no "technique" at all. Instead, marketing is based upon your authentic personal story. Marketing is about telling a story. Successful marketing is telling an extraordinary story. There are several elements of an exceptional story. Primarily, it must be true. It must not be contradictory. It must be appealing and exciting. Rare stories make a promise but do not sell future benefit. Unique stories are subtle, but most of all extraordinary stories are trusted.

Marketing for your business will include a story letter about your life and business based on your values and experience. The story letter will demonstrate how and why you take great care of clients, works hard, and delivers better results than other agents without explicitly stating so.

Your story letter is a way to market the stellar reputation and professionalism that you must demonstrate every day.

Your story letter is your branding; it is your character, your work ethic, and your real-life experiences. The story letter tells the reader what kind of person they can expect to work with them. It is an authentic story, and a relationship-building tool for your sphere to learn more about you. A good story letter will let the reader know that the business owner can be trusted to take exceptional care of them.

Your story letter makes you unique and shows how you are better than all the other agents. How many agents do you know who tell their story? How many agents set themselves apart from the others? Can you see how this could set you apart?

The story letter is from you to your sphere presented in a non-intrusive manner that requests an opportunity to interview with them, should they ever need your services.

Often advertising is invasive or even offensive. When contacting our sphere, we do not want to be a bother. Americans appreciate anyone who provides a valuable service and Americans in general respect and admire hardworking individuals.

In most cases, individuals who earnestly work to improve people's lives are admired by others. It is hard to be critical of someone who legitimately seeks a job or a position and wants to contribute to those they serve. Our marketing process lets your sphere know that it is a privilege to have an opportunity to *earn* their business when the need arises.

These two methodologies are combined to create an effective, non-intrusive marketing campaign to obtain clients and to 'wow' them with superior service and care to advance the business momentum.

Shortly after we send the personal testament of your story letter, we will follow it up with a professional resume developed with your help from our writing team.

Marketing Plan

Your story letter and resume are just the beginning. In the months to come our team will continue to execute a robust marketing plan containing all the most crucial elements mentioned earlier: theme, frequency, and modality.

Internet Presence

Most of the business that comes to top producers do NOT come from the internet. The national average suggests that it takes 100 internet leads to generate one closed sale. If this is the case, to close 20 sales, one must follow up with nearly 2000 leads, develop interest, develop trust, arrange a meeting, and so on. Internet leads carry with them a diminishing return. The more you have, the less business you will be able to close.

However, the agent's internet presence has everything to do with credibility. The agent must have a professional image that demonstrates success and business savvy.

The Fusion Marketing Development team will create an individualized professional website with Search IDX, Bio pages, Contact pages, information pages about buying and selling, and much more.

What is more important is that an agent can be found when a buyer or seller is searching for them. What happens when a person Googles your name? The goal is that searching the agent's name brings up several different professional sites where the agent's information can be found.

The Fusion Marketing Development Team will create profiles on several different real estate and professional sites to ensure that all past and potential clients can find the agent.

Cloud CMA

Cloud CMA is a software program used to generate professional CMA. Fusion will provide a subscription for you to use when presenting services to buyers and sellers. Whether you have an existing account, or an account supplied by Fusion, our staff will be able to make sure your profile is set up, branded, and ready for you to use. Our staff and advisors can also provide training and tips on how others have successfully used this program along with other ways to implement it into our training systems.

Listing Presentation

An agent's listing presentation is a critical part of their business infrastructure. It shows that the agent has foresight, has invested a lot in the service he offers, and that he cares enough to show a client what he can do for them.

The most effective presentations are not delivered in a sales fashion but in more of a conversational way. The presentation or supporting documents can be used as needed to clarify ideas that are important to the client.

The Fusion listing presentation is wholly geared toward what the client desires and makes them feel safe in moving forward to sign the listing. Fusion's onboarding team will create a PowerPoint presentation that will cover several topics including Marketing Plan, Communication, Pricing Options, Team Members, and Bio, among other issues.

We want the agent to have a complete package that empowers him to deliver the highest and most effective professional services available.

Website

Fusion will set up each one of our agents with a PropertyMinder real estate website. Each agent will be shown a variety of professional templates from which they can choose. Fusion staff will then build the site, brand it, set up a domain, and assist with activating the MLS IDX services. This ensures that each agent has a fully functioning professional website to use and support their real estate business; after the launch of the site, Fusion staff will continue to help you and take care of your website needs. New pages, updates, and additional features will be supported and coordinated with PropertyMinder and your Fusion staff.

Custom Neighborhood Alert Systems

One unique feature that comes with an activated PropertyMinder website is the neighborhood alert system. Fusion's team will be able to use your SOI database and upload it into your website's CRM system. A staff member will then create an alert system that automatically sends an email to any of your SOI contacts in a specific neighborhood. This email is designed to appear as if it was sent directly from you to your SOI contact. It will direct them to your PropertyMinder website and alert you of any ongoing activity, preparing you for an opportunity to assist interested buyers or sellers. This system integrates well with our listing presentation and Cloud CMA systems. Our

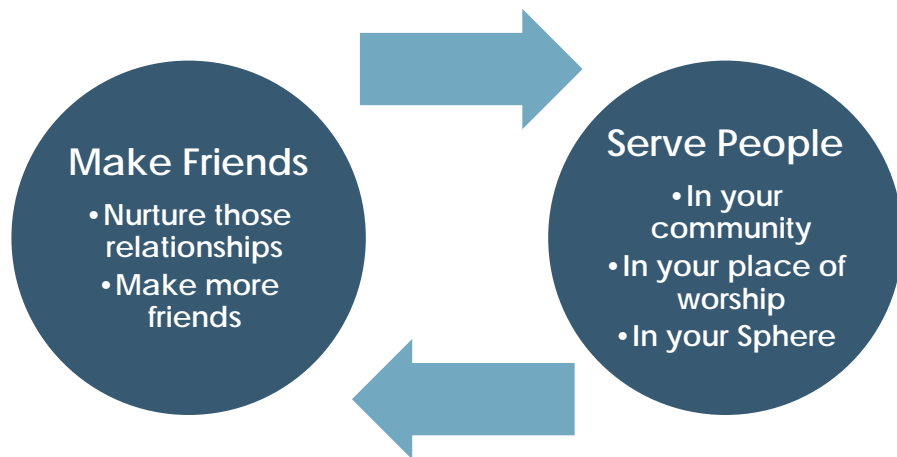
services also include maintaining and keeping your neighborhood alert system up to date while you and your database continue to grow.

Client Care Communication Package

A real estate agent's actions either reinforce the idea that he or she is the best choice or instead suggests that the agent is average at best. The real estate agent should perform like the agent he or she would want to hire.

Communication with the client during and after the transaction is a critical part of showing professionalism and care. To be efficient, many of these communications can be templated and created well in advance. Fusion's onboarding team will create these letters specifically with your letterhead and signatures so that when they are needed, they can be sent by a staff member without your involvement.

Rainmaker: Growth Period



Make Friends – Serve People®

The key to our business plan is that the Founder needs to build and nurture their SOI. This needs to be a daily activity to measure the potential progress. At Fusion, we recommend using our daily point system to keep track.

Fusion Points System

This system replaces all the nonfunctional or inefficient models for time management which only have value for the most disciplined individuals. Instead, it motivates agents to consistently advance their business by providing a list of activities they can perform daily. Each activity is assigned a point value. The closer the task is correlated with closing business, the higher the number of points that are associated with the task. You will be given an achievable goal to reach each day, and the idea is to either hit the point total in the shortest period or to blow past it and develop your business even faster.

The points system is designed to give you a sense of accomplishment as well as a tool to measure your output. It tells you if you can pat yourself on the back at the end of the day or if you need to kick it up a notch tomorrow. Below you'll find a list of possible daily activities. You'll be working with your advisor to determine your point goal for each day.

1. Open an escrow – 50 points / 5 hours

2. Take a listing / to write an offer – 25 points / 2.5 hours
3. Develop an SOI contact and add a contact to your database – 20 points / 1.5 hours
4. Set a first appointment or a follow-up appointment with a potential new client – 15 points / 1.5 hours
5. Attend either a first appointment or a follow-up appointment with a potential new client – 20 points / 1.5 hours
6. Set up CMA and fill out the form – 10 points / 1.5 hours
7. Add an email to SOI – 5 points / 1.5 hours
8. Host an open house – 12.5 points / 3+ hours, with your signs
9. Set a “coffee” appointment with an SOI contact – 10 points / 1 hour
10. Add potential non-SOI prospect to database with recall date – 10 points / 1 hour
11. Attend an appointment with an SOI contact – 10 points / 1 hour
12. Take an in-person survey from an SOI contact – 10 points / .75 hour
13. Show home to your buyer client – 7.5 points / .75 hour
14. Have a telephone conversation with a potential client, active client, or SOI contact – 4 points / .40 hour
15. Send a personal Facebook message or email to a potential client or SOI contact – 2 points / .20 hours
16. Leave a voicemail message for a potential new client or SOI contact – 2 points / .20 hours
17. Send a personal text message to a potential client or SOI contact – 1 point / .10 hour

Nothing works in this plan if you do not work the plan. But what a fantastic way to spend your working day—making friends and serving people!

It is your job to go out and get this done by collecting the names, phone numbers, and addresses of people who are becoming your friends. It is Fusion's job to help build your business reputation and branding through our marketing processes.

Marketing

What do you think about when you think of marketing? Super Bowl commercials? How about an annoying yet catchy slogan such as "Where's the beef?" or endless radio commercials when all you want to do is listen to music? Perhaps images of annoying salespeople come to mind or relentless spam and never-say-quit telemarketers.

Do you like telemarketers? Do you find it offensive when a person or company interrupts you and your time for their benefit?

Being marketed to is not what most consumers desire.

However, when we have a need or a desire for goods or services we are not necessarily offended when we hear about them. We may not even feel annoyed. We are in truth relieved, maybe also excited, because we have a problem and have found a potential solution to that problem.

The fact is that marketing matters for the consumer and the *consumer needs marketing*. Marketing is also vital to your business. Many real estate agents who are business owners feel uncomfortable marketing. This is because they usually envision themselves becoming a source of irritation and bother. They do not want to be offensive, they do not want to intrude upon or interrupt others, so they choose to market very little if at all.

However, marketing does matter. As Seth Godin says, "If you care about the future of your company, your non-profit, your church, your planet, or people's needs, marketing matters." If you have an idea, a product, or a service that can help people, you are obligated to get the word out to those who need it. You are compelled to give the information to those who have a problem you can help with, fix, or improve. You may have the answer to make a difference.

Even though marketing matters it can often feel like an intrusion. Most agents do not market their services at all, likely because they do not offer anything special and they know it. On the other hand, some agents do have something special to provide (perhaps only a higher level of commitment to clients than the industry standard), but they still do not market themselves or services. If they do market themselves, they usually duplicate intrusive marketing methods.

The Key to Effective Marketing

When a real estate agent is building a marketing plan, it is most important to think like a consumer. Put yourself in the consumer's mind to feel and experience like a consumer. Only by doing this will you have a reasonable chance of constructing what might catch the business target's attention and retain their business.

Ask yourself these questions: How do you choose a professional to help you with your issues? How do your friends pick a professional to help them with their problems?

The facts clearly show that most people do not see a doctor, CPA, attorney or a financial planner because of basic advertising, catchy slogans, slick logos, or because they are the first listed on Google. Most people choose these types of professionals either because they know them personally or know of them through others. They pick people they trust.

Every professional who receives repeated referrals is someone who has a story. They consistently deliver what people want and the people who are referring tell a story about them. They will mention who they are, where they come from, what their background is, how they know them, something unique about them, etc.

Advertising is not necessarily marketing; it is a technique to generate business. Advertising is an attempt to get in the door, typically through gimmicks and misleading information. Advertising is expensive and often not believable.

Therefore, we start with the story letter: instead of advertising your business, we tell your story.

Building your Brand 24/7

Real estate agents, like all professionals and tradespeople, sell our time, our knowledge, our capacity for effort, our experience, our competency, and our trustworthiness. During business, the agent is continually building their brand or tearing it down through their actions and performance. These actions can either reinforce the belief that they are the best person with whom to do business or they can weaken this belief. It is critical that you are the best version of yourself always.

Providing excellent service is a compelling marketing aspect of our business. The agent that builds lifetime clients understands that an elevated level of service can create tremendous momentum toward repeat and referral business.

Budget

Every business owner needs to invest an appropriate amount of revenue into the growth of their business. A growing business should start with a base amount and add to this with a consistent multiple of revenue. The higher the income, the more the marketing budget increases.

This business will start with a base amount of \$250.00 per month and increase from 10% to 20% of total net commission revenue received.

Marketing and Database Management

The primary function of the database management process is to have an organized way to market, tell your story, and to stay in contact with the business owner's sphere and past clients.

Database management and marketing have two primary goals:

- ***To nurture the relationship, strengthen the bond, and increase the level of trust between the client and the business owner.***
- ***To communicate information that helps a client decide that it is you above all other agents that will best serve their interests.***

Potential Clients want to be:

- Noticed
- Liked
- Given special treatment
- Respected

They also like to do business with agents who are:

- Knowledgeable
- Hardworking
- Available
- Competent
- Empathetic

Research into Buyer's Thought Process:

In a recent survey commissioned by the California Association of REALTORS® buyers who interview more than one agent listed the top two reasons for choosing their agent:

- They seemed like they would be the most responsive.
- They seemed like they would be the most aggressive on their behalf.

All other reasons a buyer might consider had a minimal impact on the overall sample of the survey.

Research and Findings into Seller's Thought Process:

- They seemed like they would be the best prepared.
- They seemed like they would be the most aggressive on their behalf.

Again, these are similar reasons sellers provided for selecting their agent. Seven out of ten home sellers say that they hired their agent because they had a previous transaction with them, received regular communication from them via mail, or were

referred to them by a friend. Fusion's Marketing Plan incorporates all three of these.

Conclusion of Research

Based on the findings of both this research and practical experience it is crucial to communicate only a few basic concepts to the sphere and past clients. This ensures that prospective clients will not only be willing to hire you but will seek out the agent because they believe you will generate the best possible results.

Fear of Over-Marketing

Many agents are concerned that mailing once a month or more will over-market their sphere and be considered a nuisance. The research, however, shows the exact opposite. If an agent is unwilling to be aggressive in marketing their services when their family and others depend on their income how could he or she possibly be aggressive for the client and their family? Actions speak louder than a sales pitch. This is important to keep in mind when looking at the frequency and content of communications. It is critical for a client to feel secure that the person they hire is going to do their best. Telephone contact directly by the business owner demonstrates he or she can be trusted and shows that the agent cares about the contact on an individual basis and shows a genuine interest in them.

Suggested Marketing Plan for Fusion Agents

Fusion designed this marketing plan to cultivate business and referrals for business owners from a sphere of influence. Most agents that market often do so without a theme or a message that separates them from other agents. Many send newsletters full of recipes, tips for staging a home, or for growing flowers. This does nothing to suggest to a prospective client that you are the agent they should hire.

We at Fusion believe that your friends, family, and acquaintances will give referrals if they feel you are worthy of the opportunity and if they do not feel pressured. You want your sphere to use you because you will take the best care of them. You know you provide the best service, and you reassure your contacts that no one can do a better job for them. When these contacts or their referrals are considering a real estate agent all you need is the opportunity to show them why they should hire you. You have a higher chance of earning their business if you get an opportunity to apply for the job.

You must first tell them about yourself and let them know what your motivation and passions are. It is imperative to potential clients that they know who you are before they can trust what you will do for them.

The primary theme of this marketing plan is "applying for the job." At Fusion, we believe that everyone should hire the best agent to take care of his or her needs. We think that *you* are that agent. You cannot easily predict when anyone will need an agent so you must request the opportunity to interview for the job before the need ever arises.

In almost all our letters you share something about your services and ask for the opportunity to earn their business with an interview. At the same time, you must make it clear that it is OK not to hire you because only then will they feel comfortable enough to invite you to interview. If you get the interview, you are most likely going to get the business.

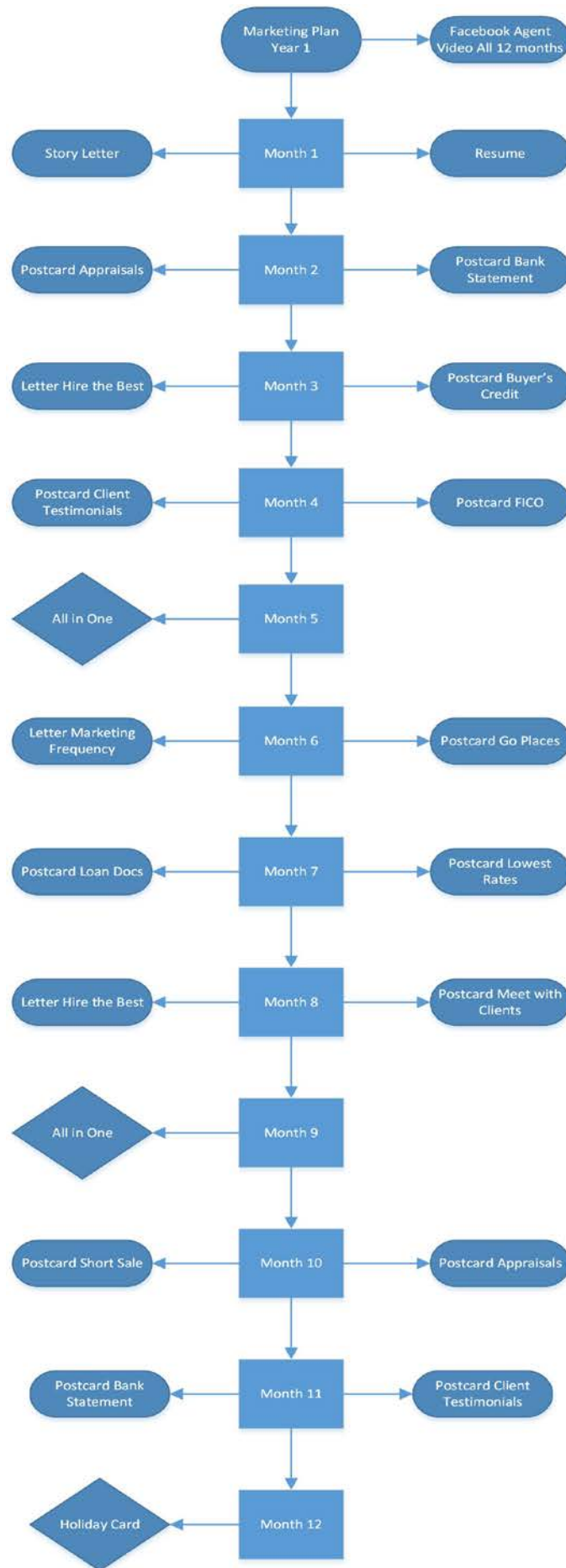
Step One: Contacts Sent to Fusion Staff

- a. Business owner delivers prospect details including first and last name, mailing address, email address and phone numbers to Marketing Development Team.
- b. Fusion enters information into the business owner's database.
- c. Contact is categorized as either sphere or client.

Step Two: Develop an Annual Marketing Plan to Provide Consistent Contact and Communication Protocol to your Sphere Database.

Fusion provides you with a marketing coordinator who maintains much of the marketing to your SOI. The annual marketing plan is developed so that all the personalized pieces are scheduled for the subsequent 12 months.

On the next page is an example of one year's marketing campaign centered around a series of letters, postcards & Facebook ads. We also have high-end marketing pieces like an All-in-One & Recent Sales Booklet. Sending these items along with the holiday card by regular mail is essential to the success of your campaign. We contend that emailing these letters is significantly less effective and is not an acceptable substitute.



Interview your potential clients to get to know them and their future needs.

Call all your best potential SOI contacts to leverage their thoughts and possible networks by obtaining a client interview.

- a. Call and inform your contact you are trying to create the *very best* service possible and that you were wondering if you could stop by or meet them for a cup of coffee, taking time to get their feedback about the industry and their firsthand experiences. It will only take about ten to fifteen minutes. Would they be open to that? (Copy the interview on the following pages for future use).
- b. Set telephone or face-to-face meetings with your sphere.
- c. Conduct interviews.
- d. Send handwritten thank-you notes.

Events: one to two per year

If one of the main purposes of database marketing is to nurture and deepen a relationship, then there is NOTHING more powerful than inviting a friend to a special event or party.

Notice how the above is worded—inviting a ***friend*** to a party. We do not have “client appreciation” parties because that indicates that the only reason you are inviting them is they “bought” their way into your heart.

Instead, we want to let people know that ***we notice them, we like them, and we want to treat them in a way that makes them feel special.*** The events can be parties at your home or other venues supporting a charity or someone with a need, for example.

The Fusion Team can help you arrange these parties by doing some of the prep work. We can help you decide on a theme. We can send you some of the material and props that you will need for your party, and we can help arrange simple catering. Below are some examples of the events that Fusion can help with:

- a. Parties
- b. Poker
- c. Wine tasting
- d. Music
- e. Group dance lessons
- f. Hiking trips
- g. Charity events

Outline of Steps for Developing and Expanding a Sphere of Influence

Inside your geographical boundaries, determine;

- Where to meet new people
- How to introduce yourself
- How to engage people on a deeper level
- How to obtain their information
- How to nurture
- Choose **two** main ways to engage people on a deeper level.

- Volunteer:

List where and when-

- Join committees:

List where and when-

- Choose **two** main ways to obtain addresses:

- Ask directly for it:

Script

-
- Invite people to events:
 - Combination of the Above

Worksheet to develop your SOI within the area that you are planning to geographically farm:

- Determine your **three** geographical boundaries:
 - Area 30 minutes by car in all directions. Give the description below:

 - Area 15 minutes by car in all directions. Give the description below:

 - The area inside a 5-mile diameter or smaller, but inside a clear geographical area with an identity. Give the description below:

- Choose **three** activities through which you are going to start meeting new people:
 - a. Groups
 - b. Clubs
 - c. Social friends
 - d. Church
 - e. Charities
 - f. Sporting events

- Choose **two** main ways to introduce yourself and why:
 - Hi my name is _____. I wanted to introduce myself to you because...

 - Hi my name is _____. I wanted to introduce myself to you because...

- Choose **two** main ways you are going to engage people on a deeper level:

a.

b.

- Choose **two** main ways to obtain addresses:

a.

b.

Set a Date to accomplish the above:

Choose the date you will:

- Start going to events on a regular basis _____
- Start a group _____
 - Find a venue _____
 - Start calling business owners in local area _____

Choose ways to introduce yourself _____

Choose the date you will actively engage on a deeper level.

Volunteering _____

Offering services _____

An adequately nurtured sphere of influence will generate a regular flow of business year in and year out. The number of sales per year will typically range from 1 closed escrow per 10 sphere contacts to 1 per 40 sphere contacts.

The variance between these two numbers can be determined by two factors:

1. The geographical area in which you work.

Generally, the more expensive the homes, the less turnover and therefore the less number of sales in the area. Thus, a higher number is used to calculate your Economic Financial Formula (see below). The opposite is exact if you work in an area of lower-priced homes and many individuals can finance a home.

2. Your exposure and reputation in the area in which you work.

The more you are liked and respected, the more business you are going to receive. "Likeability" is something that can be changed and improved upon. It is demonstrated by how warm you are, how well you listen, how generous you are with your time and attention, and how authentically you interact with people. It has everything to do with trust, reliability, and being able to give of yourself without expectation.

Your advisor can help you determine the number to use for your Economic Financial Formula based on your area and can assist you in planning the steps you should take to improve your likeability factor.

Economic Financial Formula:

Below is an economic formula that will give you an idea of how many people who qualify as legitimate SOI you will need to meet your total annual income goal and then generate the "Free Cash Flow" to invest into geographical farms. Geo farming takes time, and you will need to have a steady flow of income to support the marketing for the time it will take to pay off.

To determine your goal, estimate your monthly expenses plus the money you reserve for leisure, then add in 40 percent for taxes. Increase your annual income by \$20,000, and you will have the free cash flow to scale the business even further by starting a sizeable and eventually profitable geographical farm. Add another \$5000 to account for print and mailing costs for SOI marketing.

Your monthly expenses	\$_____ (1)
"Play money" (Monthly money reserved for leisure)	\$_____ (2)
Add lines (1) & (2)	\$_____ (3)
Multiply (3) by 12 for your annual expenses	\$_____ (4)
Multiply (4) by 1.4 to account for 40% tax	\$_____ (5)

THIS IS YOUR TOTAL ANNUAL INCOME GOAL

Add \$25,000 to (5) for Geo-farming & SOI marketing. \$ _____

THIS IS YOUR TOTAL ANNUAL FINANCIAL GOAL

- Every ____ properly nurtured relationship(s) in the Sphere of Influence database will produce one referral or a client per year that results in a closed escrow.
(Enter 10, 15, 20 25, 30, 35, 40)
- Current Commission Numbers
 - Partners average gross commission \$ _____(A)
 - Average take of the broker average commission \$ _____(B)
 - Fusion's Split on an average commission \$ _____(C)
 - B + C equals \$ _____(D)
 - A – D equals \$ _____(E)
- To produce a net income of \$ _____ (annual income goal) or more, the business must close _____ transactions per year. (Divide annual income goal by E above)
- The business must have _____ legitimate and nurtured sphere contacts without a marketing budget for SOI included. (Multiply answer from number one by number of transactions needed per year from number 3)
- The business owner believes that he or she has the contacts and relationships to build a database with up to _____ people to start the database.
- To reach production goal in ____ years, the sphere database must increase by _____ people per year.

Therefore, each Sphere of Influence contact is equal to \$ _____ per year in gross annual income.

Build and nurture a Sphere of Influence, and you will build a Business Engine that will self-generate a consistent flow of new and repeat clientele.

Qualification of Legitimate Sphere of Influence Contacts

Identifying past clients is self-evident. However, identifying business contacts that would fall under the sphere of influence is less clear. A sphere contact must have the following characteristics to be worthy of the investment of time and money to nurture that relationship:

1. The contact must have a certain level of connection beyond an initial first meeting, meaning that a sphere contact is generally not someone you've met only once. They must be someone you have known for a while: a friend, an acquaintance, the owner of a

business you frequent, or someone who is connected to you some way through clubs, church, social circles, a tight-knit community, etc. They are someone you are going to see again.

2. The contact must be someone you have met personally. It cannot just be a contact from Facebook, for example, whom you have never spoken to.

3. The contact most likely lives in the geographic area in which the business provides services.

4. The contact is someone the business owner has regard for, such as a similarity to, connection to, identification with, respect for, care, concern, like, and/or admiration for.

Developing a Sphere of Influence

Building relationships is not a painless process; however, it is critical, because much of your business will come from this activity.

As stated earlier, the business owner needs to develop a database of _____ contacts to reach the level of business they desire. To do that, they will need to increase their Sphere of Influence from _____ to _____. To do this in a period of ____ years, the agent will need to add _____ people to their database per week and _____ per month. After nurturing these leads for TWO years, as stated in the Business Plan, the business owner will reach their goal.

How to build and meet new sphere contacts:

This section will give you the details to develop a plan to do just that!

We'll start you in Groundbreaker with a solid sphere of influence. We'll go into more detail in the Groundbreaker section of the business plan.

To supplement the database Fusion creates, make a list of everyone you know within an hour drive.

- Name everyone you know on your street.
- List everyone in your neighborhood, the street behind you, and the street in front of you.
- Who does your hair?
- Who is your primary physician?
- Who is your dentist?
- Who is your dry cleaner?
- Who are your insurance agents?
- With whom does your significant other do business?

- Do you belong to a health club?
 - List everyone you know there
- Do you belong to a church or other religious group?
 - List everyone you know there
- Do you have children?
 - List their friends
 - List their parents
 - List their teachers
 - List their coaches
- List everyone you know, period!
- Start a Facebook page to reconnect with old friends and become aware of events that might interest you.
- Get a list of all your past clients.

This is your starting point; keep it going!

Choosing a Geographical area to build your Sphere of Influence and business

It is vital that once you have your starter Sphere built, you choose a general geographical area in which you will focus your growth and which allows you to demonstrate local area expertise.

Homebuyers and sellers will most often deal with someone that they know, like, and trust. However, when your sphere knows more than one capable agent, they will typically choose the agent with the most success and expertise in a specific area.

As your business grows, you will be able to leverage your sphere with geographical farming, which will significantly increase the return on investment in the future.

This focus on developing your sphere inside geographical areas makes every effort, every marketing item, and every contact so much more powerful. Your marketing and networking efficiency multiply several times over.

The geographical area where you choose to build your sphere should follow some essential elements and boundaries, such as:

- Easy traffic flow. How do people migrate in these areas? If there are freeway systems, bridges, bodies of water, etc. through which people tend not to cross, you may want to avoid limiting your geographic location to the inside of such

areas.

- If there are emotional or demographic boundaries that people tend to strongly identify with (e.g., economic, suburban, rural), these could also be the geographical limits.

We suggest that you identify a large area that is within a 30-minute drive from the center in either direction, not needing to be a circle. Then draw a small area within a 15-minute drive and then again within a 5-minute drive.

In more sparsely populated areas, you may want to increase the size. There is no perfect formula here.

Your sphere-building should focus on the center and then work your way to the outer limits of the largest area.

Steps to Expanding your Sphere of Influence

There is nothing more critical to your business success than building your sphere! At Fusion, we believe the best and most important ways to do so are to:

- Build relationships (Make Friends)
- Nurture those relationships through acts of service (Serve People)

The first question many agents ask is, “How do I most effectively go about making friends?”

The basics of how to make friends:

The easiest way to meet people naturally is to live a full, exciting life and to put yourself in front of many potential friends. Working on this Business Plan will help you do so, but it still requires action and commitment on your part.

Put yourself in place to meet new people.

To make friends, you first must meet them! Growing your current relationships can go a long way, but it does not always work. Sometimes you reach a point where you need to meet entirely new people. Not having easy access to potential new friends is a significant barrier for many people who are creating a sphere.

Overall, the most natural things to do are:

- Explore hobbies or communities where you will naturally meet many people. Charities and service work are two great ways of engaging with people without having the pressure of being interesting or entertaining and have the added benefit of built-in common interest.

- Meet one or two good highly social people and then get involved with their social activities and get to know all their friends. If you hang out with a group of people, you can get to know them over time in a comfortable situation.

Overall, meeting new people will require trying to pull out of your day-to-day routine. If most of your hobbies are solitary, you might also need to add some more people-oriented ones to the mix.

Resources for Meeting People or Volunteering:

1. [meetup.com](https://www.meetup.com)
2. [Rotary.org](https://www.rotary.org)
3. [craigslist.org/activities](https://www.craigslist.org/activities)
4. [toastmaster.org](https://www.toastmaster.org)
5. [successfulthinkersnetwork.com](https://www.successfulthinkersnetwork.com)
6. [greatnonprofits.org](https://www.greatnonprofits.org)
7. [shrinersinternational.org](https://www.shrinersinternational.org)

Getting to Know People

Once you are in a situation with some prospective friends, you need to strike up conversations and try to get to know them. An introduction is simple and is always a good start. It does not have to be witty or funny; we believe simple is best.

Extend your hand and say, “Hi my name is _____. What’s your name?”

Once they say their name, ask a conversation starter and have a backup starter.

The process is this simple:

- Introduce yourself.
- Ask the conversation starter.
- Give a follow up about you.
- Ask another conversation starter.
- Allow it to develop.
- Have fun!

Conversation Starters

- **How are you connected to this organization?**
 - Follow up: I am connected by...
- **How were you introduced to / know (organization or person)?**
 - Follow up: I met...

- **Are you having an enjoyable time?**
 - **Follow up: I think this is great!**
- **What do you do for a living?**
 - **Follow up: I am involved with...**

You will not form a connection with everyone, but if you chat with enough people, you will find ones with whom you get along. At that point, you are now at the Friendly Acquaintance stage, or they are context-specific contacts (e.g., work "friends").

The basics on how to serve people:

The second question you might ask is “How do I nurture those relationships?”

We believe that the best way to nurture relationships is through organized events that you host or co-host.

- You invite people, and personally, include them!
- You see them and show them how much that you appreciate them.
- You are providing a service for them.

Adam Grant, the author of *Give and Take*, refers to three kinds of people in his book: takers, matchers, and givers.

Takers look to gain for themselves without regard for others, and matchers look only to give as much as they can get. However, givers are selfless; they help others without requiring repayment. Because if you need compensation, it's not a service; it's a transaction.

We want you to be a giver. Look to others and ask them, “Is there anything I can do to help you?”

Then go and *do* that thing.

Getting Sphere Contact Information

It is a wise idea to get into the habit of getting people's contact info early into the relationship.

However, it only makes sense to have a reason to ask for it. You may meet someone you can add to your Sphere, but one can never assume that you are going to see this person again soon. Therefore, you need to ask for their phone number or email address or check if they are on Facebook. However, make sure the request is not out of place or context.

In your conversation, you can work on a few ideas. This should also become a habit.

Here are some of the best reasons:

- Based upon the discussion of business:
 - You want their business information as a mutual benefit for referrals.
 - You request their information so that you can send them information about your business.
 - Exchange business cards.
- Have a charity or event that you want to promote.
 - Ask for information to send them an invitation to your charity.
 - Ask for information to send them an invitation to a future event.

Invite potential friends to do something with you.

Meeting people is just the first step. If you do not take any action to build a rapport with them in the future, then you will not form many new relationships.

Once you have met someone that you seem to be click with, ask them to join you in something outside of the current situation. This is the most crucial step to developing a real connection.

Depending on the circumstances, you may invite someone to participate in an activity or event right away or wait a few weeks if that seems more appropriate.

Invitation ideas:

- Parties and social activities
- Friend gatherings
- Wine tasting
- Hiking excursions
- Charity Participation
 - Charity events
 - Participating in planning/fundraising
 - Invitation to learn about the charity

Do your best to accept every invitation.

Get involved in other social circles. When others extend an invitation to you, they are typically people who have connections. The more “*connectors*” you meet, the easier it will be to grow your SOI.

In addition to meeting people, accepting invitations is an act of kindness. You are saying

to this person that they are important enough to invest your time. Very few people understand how much effort, time and energy it takes to organize events, and that it feels great to acknowledge those efforts by accepting an invitation.

If you need to decline an invitation, even if it is through Facebook or an Evite, be sure to send your regrets and ask for an invitation in the future.

Take time to invest in people's feelings, and it will pay off in your efforts to grow your sphere.

Once you have some budding friendships, keep in touch, seek involvement, and let the relationship grow. *Get them into your database!*

It is one thing to spend time or invest in a budding relationship once, but if it is only one time, it has almost zero value to build a powerful sphere. Just like marketing, the frequency of contact makes relationships.

To have an impact on the people you meet, you must develop a familiarity with them. Specifically, you must work to make sure they are familiar with you. Fusion will help you on a business level through your database, but you must deepen the relationship on a personal level to generate significant leverage.

Repeat the above steps often to make more friends!

Continually find innovative ways to meet people and then follow up and attend many events and gatherings! Your sphere will grow exponentially, and your business will continue to gain momentum.

Do not stop the process! Constantly work at it! In addition to growing a vast sphere, the resulting fulfillment and happiness for you will increase significantly, too. Everyone wins!

Building an Action Plan to Build the Sphere of Influence

In this section, you will determine the geographical boundaries for your SOI, where you will focus on meeting people, how you will introduce yourself, how you will engage people, how you will obtain their information and, finally, how you will deepen the connection with several contacts simultaneously.

See worksheet in the back of the business plan and work with your advisor on developing a specific action plan to build your SOI.

Referral Booster Client Interview Process

Your business thrives on referrals from your sphere of influence. We have a specific process through which you can significantly increase the level of possible references from your SOI.

The Referral Booster Client Interview is a fantastic way to significantly increase the chance of having your SOI actively seek to refer their friends and family. It is designed to help you learn about what your client thinks and to separate yourself from other real estate agents in thought and deed.

Few agents are ever interested in taking the time to learn about what a potential client desire. This action alone demonstrates a level of commitment to service that will alleviate or eliminate some of their concerns and fears.

Can you imagine the goodwill and the positive reputation you would be developing if you did one interview per business day? That would equal close to 200 interviews.

What is reputation?

[A practical definition of reputation](#) by Seth Godin.

Reputation is what people expect us to do next. It's their expectation of the quality and character of the next thing we produce or say or do.

We control our actions (even when it feels like we don't) and our actions over time (especially we think no one is looking) or [when it is clear our efforts do not create immediate benefit for ourselves] earn our reputation.

The interview does not create immediate benefit for our business in the sense of commission dollars, but it is incredibly powerful in the long term because it produces immediate business awareness and develops an agent's "Client IQ" which can be used. The long-term effect is momentous because of how it separates Fusion's agents from the rest of the commission seekers. Before we enter into a business agreement, we have demonstrated our desire to ensure our care for our clients' wishes BEFORE we consider our compensation. That is the type of agent worthy of referrals!

Client Interview Overview

Call and inform your SOI that you are trying to create the very best service possible. Tell them that you were wondering if you could stop by or meet them for a cup of coffee to get their feedback about the industry and their customer service experiences. It will only take about ten to fifteen minutes. Would they be open to that?

1. Process

A. Set face-to-face meeting. If you can't get a face-to-face set telephone or video chat with your Sphere of Influence.

B. Conduct Interviews.

C. Send handwritten thank-you notes.

You'll find the specific verbiage for the interview at the end of this business plan.

Building a Solid Business Foundation

Building a solid foundation for business is just as critical as making a solid foundation for a house if you want it to last.

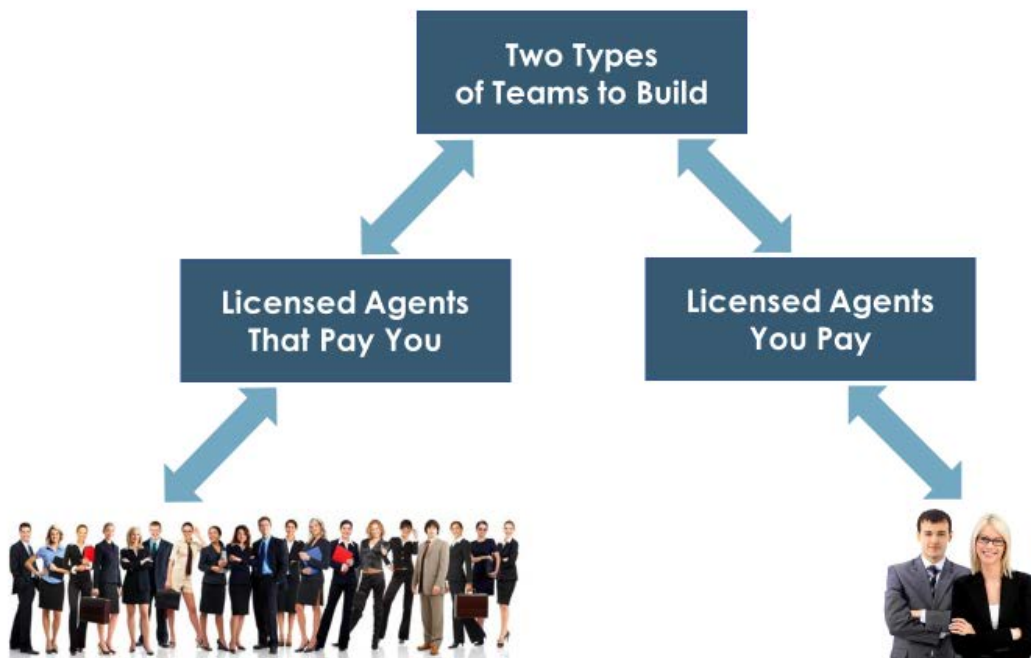
Below is a list of tasks that must be completed to build your business foundation. Those dates will represent the dates we want to have the projects or items complete. Time is of the essence: the longer this process takes, the further away you are from an operating business and a steady flow of income.

Each item is critically important. We cannot be successful if we are not engaged in the act of doing business. If we are hindered in trying to make things perfect or near perfect, time may run out. Therefore, work on building a stable home foundation, but don't become distracted trying to form a foundation that will hold up a skyscraper!

Advisor Engagement

The first step is to do a complete analysis in conjunction with your advisor of your strengths, weaknesses, opportunities, and threats. It is vital to choose what is essential and what the desired goals are for developing a successful business. All this and more is covered by your advisor at the beginning of the process and should already have happened by the time you have received this business plan.

Expansion Period: Building a Team



Why is Team-Making Needed?

Imagine if you will, a performing artist who had started her own music career. Through arduous work over countless hours, she had managed to build up a following. She began to be in growing demand, and the gigs were stacking up.

This artist had operated all alone up to this point. She called and canvassed to book her own shows, she made her own travel arrangements, she transported, set up, and broke down her own sound equipment, and she collected all the money and did all the banking. She had been a virtually unknown talent but because of her arduous work that would finally be changing.

She scheduled a tour to springboard her momentum, and she wondered if she should hire some help. Although money was still tight, she really wanted to buy a new van to travel in as well as some new clothes.

She *could* continue to book all her own gigs, do all the follow-up, transport and set up and break down all the sound equipment, manage the money, and be her own publicist. If she continued to handle those tasks herself, she could make more money by the end of the tour. She would be keeping all the proceeds... but at what cost? Would she wear herself down so low that she gets tired and sick? Would she lose momentum because she is not well-rested - perhaps allowing her shows to lack the old energy or vibe her audience came to expect?

This is a critical step in her career. If she decides she wants to grow and indeed become a star, she must give up some of the work—and in turn, some of the initial cash flow—to work on only the most important things. Unless she does that she will not continue to grow in her reputation or stardom and this will most likely mark the beginning of the end of her professional career.

Can you name one superstar that does everything themselves? Probably not. This may be the crossroads you have reached in your own career.

It's hard for many because it is a paradox. You must initially give up income and capital to earn and grow.

If you choose to grow you will need to build a team and Fusion will help you do it. You must first select if you are going to be the talent or the help. If you try to choose both, you will eventually end up being only the help.

Team Making = Independence:

If a business does not develop the ability to act on its own without the business owner operating all the daily duties the business is not a business at all: it's just a job. In fact, it is the worst kind of job you could have. Because in a real job you get paid no matter what. You can clock out at the end of the day, and you are not responsible for everything. But if you do not build a team, you are doing a job that you can never clock out of, and that has no guaranteed pay. The only way to indeed develop a business is to ensure that it can function without you for more extended and more extended periods of time.

Founder

The founder is the person who has founded the business and is also the face of the business to the public in which the company provides services. This is you!

It is the primary task of the founder to grow the business by making new contacts through social activities and/or providing service to the community through volunteering with non-profits and charitable organizations.

At Fusion, we call this "Make Friends – Serve People®." This is the primary task of the founder.

In the beginning, the founder will not have enough business to be able to afford licensed support. He will need to provide all services to his client that require a real estate license, including showing property, writing offers, presenting offers, opening properties for inspection, meeting appraisers, etc.

As Fusion works hand in hand with the founder to grow the business in the Rainmaker stage, the founder will eventually reach a point where the amount of business being generated cannot be handled alone. At this point, the founder will need to create a working relationship with another agent, called an "associate," to help serve the client.

As the business continues to grow the founder may be in this position several times and need to add additional associates to the team.

To build a business, one must develop a team of individuals who allow the founder to earn more money without burning out. Fusion Growth Partners' team, systems, and procedures function as the business engine that will eventually produce more clients than you can personally handle on your own while maintaining an elevated level of service for each client.

It is at this point that you will need to recruit an agent to help you continue to build upon the success that you have already achieved.

This agent will join your team at extremely reasonable compensation because they are unable to produce consistent business, and they are willing to work for a small commission in exchange for income stability. At this point, you have arrived at the threshold of true entrepreneurship.

It is important to note that if one does not build a team at this point, they are virtually guaranteeing business failure within the next few years. As good agents develop a clientele that continues to use and refer the agent, the demand on the agent's time and energy start to take a toll. What was once an exciting process of securing new clients and closing deals has lost its luster and thrill. New clients start to represent more work, less free time, and more headaches for the busy Realtor rather than representing a

more stable business and ultimately more profit.

Buyer's Agents: Killers of Business Growth

One of the ways top-producing agents can kill business momentum and growth is when they hire a "buyer's agent." Here is why:

If a Top Producer is busy because of the growth of their business, and the number of clients has become an overwhelming demand on their time, the level of service starts to slip, and the agent decides that they need help. Typically, the Top Producing agent is told that buyers are less valuable than sellers to their business regardless of the price, and therefore they should hire a successful sales agent to manage all their buyers. The idea is that this buyer's agent will provide excellent service to the buyer clients, allowing the founder to concentrate on listings.

This sounds good in theory. However, when dissected, the argument starts to fall apart. Most agents look for a successful "go for it" type of agent that needs more business which is usually someone who is less experienced, but talented. This buyer's agent is an excellent salesperson and is successful at closing deals, but once they become successful, it is, however, unlikely that they will stay with the team. To make matters worse, the buyer's agent might take clients and referrals with them as they migrate into their own business.

Here is why: Imagine, if you will, that you are a home buyer looking for a home and you are referred to the Top Producer agent. The Top Producer does not meet with you, but tells you his buyer's agent will assist you. You are most likely a little taken aback, but you go ahead and meet with the buyer's agent anyway. As it turns out, the agent is excellent—charismatic, charming, professional, likable, and does a fantastic job. As the buyer, you never meet or talk to the Top Producer again. During the next few years, you have friends who want to buy or sell a home. Who do you refer? Four years later, you need to sell your home and take a new job across the country. Who do you call?

Most homeowners move every three to seven years. The research clearly shows that *if* they were happy with their agent, and *if* their agent keeps in contact with them, these satisfied clients will send them referrals, and 80% will go back to that agent when they are ready to sell or buy again.

These clients perceive the buyer's agent as *their* service provider (which in fact they are), and it is the buyer's agent who gets their referrals and future business, not the Top Producer.

Buyers are not only a source of revenue; they are also the best source of referrals. By losing a buyer client, you miss out on their references in addition to their repeat business.

The Associate Agent

The best solution for busy Realtors is to employ the services of an associate agent. The associate agent handles much of the due diligence for the transaction, While the Top Producer is involved at crucial moments so that the buyer recognizes them as the primary contact and correctly recognizes the associate agent as a capable but secondary contact.

The associate agent is there to support the high level of service that the Top Producer provides to all his or her clients. This type of arrangement is like a client engaging a well-known lawyer. This attorney is sought out by potential individuals because of her reputation and her ability to win cases. The client meets with this attorney, discusses the case, and then retains her. This does not necessarily mean that all the work is being done by the attorney they specifically hired, however. Because she has a stellar reputation and wins cases, she has generated more business than she can handle on her own.

So, what does she do? She hires an associate. This associate can do many tasks that do not require her specific skill to move her client's case forward. This includes doing case research, appearing in court to get a continuance, filing papers in court, writing initial briefs, etc. However, when terms are being negotiated, or an argument is being presented to a jury or judge, she is front and center. It is she that the client hired to do the work that requires particular skill and knowledge or where reputation has an impact on the result.

This is the same process that we want our founders to use to grow and run their business.

The associate agent joins your team for growing and enriching your business, helping it increase in revenue, profit and reputation. If the associate is helpful in this way, the business will grow, and the associate will have the potential of earning a partnership in the founder's business.

Type of individuals that make good associate agents

The type of person who you want to hire is not the fantastic go-getter salesperson. That is you. What you need is the more eager to help, support, and service existing business and who desires a steady income/position. Thousands of these types of agents would provide an elevated level of service to both you and your clients without detracting in any way from your business.

Fusion has already provided the in-house team to build your business engine. Now we will help you make your own external partnership team for your business to support you in the field.

Below you'll find suggestions on how to set up the financial arrangements at each

stage.

Teams and Partnerships:

Teams and Partnerships in real estate rarely last longer than a year or two. If a team has a life cycle of fewer than 24 months, it does not make business sense to engage because the distraction of building a team and splitting one up is incredibly costly.

The reason teams do not last is the same reason that marriages or romantic relationships sometimes do not last. When there are two equal partners, you will always have competing interests. In romantic relationships, you have a love that binds the two parties together to help work through issues and problems, but in business, you do not have this powerful emotion. This requires the relationship to address the competing interests of all parties and allow for an exit of one of the parties without harming the team in the eye of the clients or consumers.

A romantic relationship requires that both parties stay in the relationship for the relationship to succeed, but in business, the team is NOT a relationship. At Fusion, we believe it should be an entity that is owned by the founder and operates to reward everyone for what they contribute to each closed transaction as well as what they contribute to the overall health of the team. Also, the team should be able to add or subtract individuals from its ranks as a professional team would and still be the same team. For example, if the Dallas Cowboys start a new quarterback, they are still the Dallas Cowboys.

Therefore, there are two forms of compensation in the Fusion team concept.

- Commission based on the contribution to each individual closed transaction.
- A split of the monthly profits based upon contribution to building the business.

One of the most significant reasons that a team or partnership is disbanded is because commissions are split equally for each team member, but inevitably the effort demonstrated by everyone will *not* be equal.

Want a successful Team-Building Process? Follow the System!

Partnership Commissions Structure

(based upon an individual's contribution to a specific closed transaction)

In a real estate transaction, several different tasks must be completed to close the deal successfully. At Fusion, we have broken them down into four distinct categories and ranges of commission rates after Fusion's share is deducted. They are as follows:

- | | |
|---|------------|
| • Relationship Creator | 20% to 30% |
| • Providing Expert Level Service | 20% to 30% |
| • Providing Support Services | 20% to 30% |
| • Team Partnership Share Management Oversight | 20% to 30% |

A founder can choose which task is associated with the desired percentage, but we suggest 25% for each section.

Relationship Creator

The person who is compensated for the creation of the relationship is the person who initiates business contact with a potential client, gathers the initial information on the person or couple, and delivers it to the database. In most cases, this will be an SOI contact that is put into the database and regularly marketed to by the team. However, it could also be a buyer or seller lead that comes from an open house.

We assign the Relationship Creator of each lead type as follows:

- Sphere of Influence: The person who initiates the business contact with a person, gathers their initial information and delivers it to the marketing coordinator or database.
- Open House Lead: The person who initiates the business contact with someone and gathers their initial information delivers to a marketing coordinator or database AND sets the initial appointment to discuss services.
- Sign Call: The person who takes the initial call, makes a business contact, gathers initial information (including name and phone number), and sets the initial appointment to discuss services.
- Web Lead: The person who corresponds with the lead and sets the initial appointment to discuss services.
- Geographical Farming: The person(s) who were partners of the team at the time the specific geographic farm was created. That includes anyone who is the owner of a home that is within that particular area.

Providing Expert Level Service

This is typically the founder's responsibility until they find a partner that can provide the same level of service. Like the example of the attorney whose clients come to her because of her skill and reputation, the founder is the one with the status and expertise surrounding the more challenging task of negotiation, advice-giving, etc. Therefore, the founder is the one who conducts the first sit-down meeting with the client to determine their needs and to provide sound advice. It is at this point that a person will usually

decide if to engage the business.

If the agreement is struck between the founder and the client terms will be agreed to. It is not necessary for the contract to be signed by the consumer with the founder present, because the agreement is already struck. However, in most cases, it is advisable to sign while both principal parties are together.

The agent who provides the “Expert Level of Service” is obligated to do so at the following intervals:

- Initial meeting and analysis
- Negotiating offers
- Negotiating addendums
- Solving sensitive issues
- Reviewing of closing documents at closing

Providing Support Services (Associate / Support Agent)

The agent that provides these services is the one who is typically supporting the founder.

The support agent’s job is to help generate new referrals and repeat business for the founder and to facilitate services for clients.

One of the main tasks is to help build the brand of the founder and their business. The support agent should refer to the founder frequently when engaged with the founder’s clients and should foster their reputation by making positive comments about the founder’s professionalism and dedication to their clients. The supporting agent’s job is to be an advocate for the founder’s business always when dealing with the founder’s clients.

The support agent’s duties regarding buyers are:

- Attend initial consultation meetings with founder and new potential client
- Search for a property using Fusion's Buyer Process, preview MLS listings
- Contact clients daily to inform them of new listings or that there are no new listings
- Show property
- Write offers
- Explain contracts and obtain signatures
- Deliver offers to listing agents and founder for negotiations
- Meet inspectors/appraisers and open property as necessary
- Review disclosures and collect signatures on initial disclosures package
- Keep founder informed of all essential information
- Provide keys to the buyer at close

The support agent's duties regarding sellers are:

- Take pictures and obtain necessary information for MLS
- Place lockbox
- Place or order sign
- Explain and obtain essential disclosures from the seller and enter into the MLS system
- Search for a property using the Fusion's Search Process and inform the seller of information
- Follow up on all showings, obtain critical feedback, and share information with founder and seller
- Hold open houses as requested
- Fill flyer box
- Open home as necessary for inspections or appraisals
- Retrieve lockbox

Limited Partner

Once the associate agent has developed into such an asset, the founder and other limited partner agents should offer a limited partnership with ownership in the business as a way of retaining talent and building the business.

At this point, Fusion's legal department will create a partnership agreement with the terms, conditions, and covenants of the partnership with the founder as the Original or General Partner.

The partnership can offer new opportunities to other agents for a partnership interest, but each new member will have a reduced interest compared to the previous partner. The objective is NOT to grow a partnership with the highest number of partners, but rather to have the most profitable partnership possible with reasonable work requirements on all the partners.

As the partnership becomes more valuable due to its growth and production, an invitation to become a partner at a lower percentage is just as expensive if not more so based upon the value of the partnership at that time.

The suggested formula is as follows:

The Original Founder has 2000 shares
The First Partner has 1000 shares
The Second Partner has 500 shares
The Third Partner has 250 shares

Profit and loss would be determined by this agreement.

What the Partnership Needs:

In most cases, Fusion will provide the founder and his partnership with the essentials of running a smooth operation with terms and agreements to help the collaboration survive a long time, including:

- An operating agreement/contract, which describes...
 - Duties and responsibilities
 - Who pays what and when
 - Prenuptial/buyout terms
 - Protection for partnership with non-compete and non-solicitation clauses
 - Breakdown of compensation for partners and profit distribution.
 - Capital calls
 - How decisions are made, how and when new partnership opportunities are offered and how and when new Associates are acquired.
- Business Plan
 - Marketing Plan
 - Client Care Plan
 - Marketing coordinator to operate marketing and client care plans
 - Listing and Buyer Services Plan
 - Responsibility Flow Chart
- Advisor / Business Consulting and Coaching
- Legal Support

Team-Making Support by Fusion

Once a founder needs help providing services to the clientele that they have built up through the Rainmaker stage Fusion will support and work with the founder to manage the workload using the Associate Program.

However, Team-Making is the most difficult of all the steps because it requires more cooperation, more structure, and more routine. Because of these issues, for Fusion to work with the founder, the founder must allow us to manage the process entirely.

If the founder does not want to follow our process and systems Fusion will not be able to support the founder in Team-Maker. This is non-negotiable.

In General

For the associate who accepts this position, it will be their primary job is to support the business growth and health of the founder(s) they are assigned to. An associate can be attached to up to five founders depending on how busy each founder is unless there is an exclusive arrangement set up.

One of the primary functions of an associate, regardless of if they have an exclusive arrangement, is to help build the brand of the founders that the associate works for. The associate's job is also to help generate new referrals and repeat business as well as serving clients.

Founder's responsibilities:

For the Team-Maker phase to take root and grow the founder must fanatically implement the all steps, processes, and procedure to the highest level possible. Anything less will assure program failure. The founder must ultimately agree to the following.

- With advisor assistance, set up and complete the Standard Operating Procedure which is to be followed by both the founder and the associate.
- Work with only Fusion-trained associate
- Fusion associates are employees of Fusion until a partnership is formed.
- Founder agrees to follow the system entirely or to obtain approval from Fusion management before any change of the system.
- Signing the agreement and following the compensation model.

Exclusive and Non-exclusive Arrangements with Fusion

A founder can use these services at will and request the services of an associate only when they a specific need for support. This way the founder can ease their way into building a team without a commitment to share all transactions.

However, if the founder chooses to refer to all their buyer services to Fusion this commitment eases the cost of managing our Team-Making Program; it provides less fluctuation in cash flow for the associates while reducing the cost of each referral, which saves additional dollars for the founder. We believe this is a real win-win, but it remains the founder's choice, and they should consult with their advisor to determine the route they will take.

Exclusive Arrangements with Associates

An associate and a founder may mutually choose to work in an exclusive arrangement where the associate only concentrates on that one founder's business.

In this case, the founder and the associate must both sell each other on their respective value, and both must be committed to making it work. This is the first step towards a

partnership. When an exclusive agreement between the associate and the founder is created, the founder should seek advice from their advisor for recommendations about a financial system that is likely to work long-term.

Associate's Buyer Support Services

- Attend initial consultation meetings with founder and new potential clients
- Search for a property using Fusion's Buyer Process, preview MLS listings
- Contact clients daily to inform them of new listings or that there are no new listings.
- Show property
- Write offers
- Explain contracts and obtaining signatures
- Delivering offers to listing agents and Founder for negotiations
- Meet inspectors/appraisers and open property as necessary
- Review disclosures and collect signatures on initial disclosures package
- Keep Founder informed of all essential information.
- Provide keys to the buyer at close
- Other duties as requested that support the close of the sale

Compensation / Contract Range Estimate

Individual Clients (Founder's Choice) – 50% of Gross Commission

Exclusive Contract for all Founder's Buyers – 25% of Gross Commission

Associate's Seller Support Services

- Schedule and/or take pictures of the property and obtain necessary information for MLS
- Communicate with other agents about availability, showings, offer status
- Place lockbox
- Order/place sign
- Explain and obtain essential disclosures from the seller and enter into the MLS system
- Arrange broker tour and host tour
- Search for a property using Fusion's Search Process and inform the seller of relevant information
- Follow up on all showings, obtain critical feedback and share information with founder and seller
- Hold open houses twice in the first month and once per month after that
- Fill flyer box
- Open home as necessary for inspections, appraisals, or other reasons.
- Explain contracts and obtain signatures
- Deliver offers to listing agents and founder for negotiations

- Review disclosures and collect signatures on initial disclosures package
- Perform visual inspections and filling out AVID and TDS
- Meet inspectors/appraisers and open property as necessary
- Keep founder informed of all essential information.
- Retrieve lockbox
- Follow the Standard Operation Agreement
- Other duties as assigned by Fusion that support the close of the sale

Compensation / Contract Range Estimate

Individual Clients (Founder's Choice) – 25% of Gross Commission

Exclusive Contract for all Founder's Buyers – 12.5% of Gross Commission

Referral and Lead Generation

When an associate creates a relationship by initiating business contact with a potential client, they are also eligible for compensation. These referrals may come from corresponding with leads met through the following sources:

1. Sphere of Influence / Personal Contact
2. Open House Lead
3. Sign Call
4. Web Lead
5. Cold Calling to set appointments with expired listings, FSBO or geographical farm

Compensation / Contract Range Estimate

Individual Clients (Founder's Choice) – 35% of Gross Commission

Exclusive Contract for all Founder's Buyers – 25% of Gross Commission

Referral Client Booster Interview Appointment Script

Hi is this (Person's Name)?

Hi, this is (your name).

Am I catching you in the middle of something or do you a quick minute to talk?

(They have a minute to talk)

(Small talk whatever is appropriate. If you have not talked to them in a while mention it saying something like "It has been a while since the last time I spoke with you,

(comment on what was going on in their life), how have you (and your family) been?

(Listen and engage)

Well, let me tell you why I am calling. I have always seen you as (the reason why you would want their feedback)

1. An astute person who had a good head on their shoulders
2. A good business person who had good insights
3. Someone who comes across as a person who is in touch with themselves and had a what some people call a "high emotional IQ."
4. A person who is an avid consumer and always seemed to have a sense of trends and the pulse of what people thought and felt.
5. Anything else you think would be appropriate

I would like to ask for your help if you are open to it.

As you may or may not know, I have a residential real estate practice. I am committed to developing the very best level of service for my clients.

I have a process that helps entrepreneurs and business people develop a higher sensitivity to consumer needs. This process helps me develop a higher level of services or experience for my clients.

Basically, I would like to conduct a short interview about your personal customer service experiences. The good the bad and the ugly regardless of industry.

I have done this a few times and found it incredibly helpful. I would really appreciate your opinion and feedback.

Would you be open to meet for a quick cup of coffee and to give me some feedback and share some thoughts with me for 15 minutes or so?

Great, when would be good for you?

What would be easy for you, where would you like to meet that would be convenient for you?

That is great. I really appreciate it! We will see you at [TIME/PLACE].

Referral Client Booster Interview Verbiage

Thank you for meeting with me and doing this. I really appreciate it. Just as a reminder, I am going to be asking you about your *own* thoughts and firsthand experiences. That is what I am really interested in.

Those experiences created either positive, negative, or neutral feelings.

Your feelings and reactions to those experiences will help me improve what I am doing more than anything else.

Does that sound okay?

Great. Let's get started.

- Ok, I want to ask you about any customer service experience, in any industry, that was profound for you. I would like a couple of bad experiences and or a couple of good experiences. When you're ready just tell me about them
 - Good / Bad

 - Good / Bad

 - Good / Bad

 - Good / Bad

 - Good / Bad

- What do you think about the residential real estate industry in general?

- How many homes have you bought or sold in your lifetime?
- Who have you used as an agent previously?
- How did you end up using that person?
- Do those agents keep in touch with you? How often?
- If you were going to go out and buy a home in the next year, what kind of things would you expect from your agent? Explain in as much detail as possible.
 -
 -
 -

-
- If you were going to list your home with an agent what would you expect from that agent?
 -
 -
 -
 -
- Are you currently, or have you ever thought about, investing in real estate?
 - What would/do you want out of investing in real estate, or why would/do you invest in real estate?
- When you are selling your house or buying a home, do you expect your agent to be available 7 days a week?
 - If no, what if a great deal comes up or a buyer wants to see your home?
- When you are selling a home or buying one, how quickly do you expect return calls from an agent? How fast would you like them to do so?
- Assuming you are ready to buy, you have seen the market, you know the values, and you are just waiting for a good deal...

- Would you prefer an agent to send you ALL the new listings every day and have you go through them, or have you drive by them and then call the agent for a showing if you find a home you like?
 - OR do you think it would be a better service if the agent combed through the listings, previewed the best ones, and informed you of the condition, etc. so that you could be saving time?
-
- In real estate, there are a lot of documents and disclosures that must be signed.
 - Would you prefer an agent to send you these documents in email form and have you print them out, sign, and send back to the agent?
 - Or would you prefer an agent to come to your home or office to review the documents in person, ensuring that you understand every detail?
-
- When signing your final loan documents and agreements at Escrow...
 - Would you like your agent present to represent your interest and to review the documents to ensure everything is in order as it was agreed to previously?
 - Or is it not important to you?
-
- Would you prefer an agent to assist you with finding a suitable loan agent and reviewing your documents or would you prefer the agent just refer a lender or two?

- After the house closes and you are the owner what do you expect from the agent?

- Would you like the agent to follow up with you after the sale to ensure everything is alright?

- Tell me about your DREAM HOUSE, not the one maybe you are going to buy right now, but do you have a dream house?
 - What does it look like?

 - How big of a house?

 - What style? Classic, colonial, Victorian, modern, contemporary?

 - What area or what kind of neighborhood?

 - How big of a lot?

 - What is significant about the house that you would need?

 - How can I help you get that? Is there a way I could help you?

- What would cause you to want to refer friends and family to a specific agent

proactively?

- When you have your next real estate need would you allow me to have an opportunity to throw my hat in the ring and earn your business?

SOI Development for Geographical Farming

Determine your **three** geographical boundaries:

- Area 30 minutes by car in all directions (provide a description below):

- Area 15 minutes by car in all directions (give a description below):

- The area inside a 5 mile or smaller diameter but is still inside a clear geographical area with an identity. (provide a summary below):

Choose **three** activities through which you are going to start meeting new people:

- Groups
- Clubs
- Social events w/friends

- Church
- Charities
- Sports Events
- Community Events
- Group dance lessons
- Hiking Trips
- Charity Events
- Holiday Parties

Choose two main ways to introduce yourself & why:

- Hi, my name is _____. I wanted to introduce myself to you because.....
- Hi, my name is _____. I wanted to introduce myself to you because.....

Choose **two** main ways you are going to engage people on a deeper level:

-
-

Set a date to accomplish the above:

Choose the date you will:

- Start going to events on a regular basis: _____
- Start a group: _____
 - Find a venue: _____
 - Start calling local business owners: _____

Choose ways to introduce yourself: _____

Choose the date you will actively engage on a deeper level:

- Volunteering: _____
- Offering services: _____

Steps for Developing/Expanding SOI

Inside your geographical boundaries determine....

- Where to meet new people
- How to introduce yourself
- How to engage people on a deeper level
- How to obtain their contact information
- How to nurture the relationship

Choose **two** main ways to engage people on a deeper level:

- Volunteer:
 - List where & when-_____
- Join committees:
 - List where & when-_____

Choose two main ways to obtain contact information:

- Ask directly for it:
 - Script:
- Event invitations:
 - Script:
- Combination of Both Above:
 - Script:

