

Investing in Yourself: Your *Best* Investment and What You Should You Expect from It

From Carla Cross, CRB, MA

Real estate agents are really *in business for themselves*. That means, as any business owner, they must invest in themselves. But *what* and *how much*? I've been pondering the relative investments companies and agents are willing to make in their successes. Unfortunately, many of the moneys and effort expended don't seem to show any pay-off in sales or retention (more than 50% of new agents fail in their first year in the business, and I estimate that less than 10% of new agents make a sale in their first three months in the business). I've been asking myself:

- What investment, if any, should the new agent make in himself?
(Managers must be asking themselves, "If these failure rates are so high, does any investment make a difference?")
- What investment, if any, should a manager/company make in the new agent?
- What investment is most important?
- How would the new agent know that it's worth the money?

I know that new agents and managers are given sales 'spiels' every day about how some technology or method is critical for the new agent. I want to 'arm' the new agent and the manager with some really tough questions to ask, and to answer honestly, before spending money on any method, technology, or service.

Tough Investment Questions

So, if you're a new (under 1 year) agent, or a manager who hires new agents, I have some tough questions for you:

1. Why do you think most new agents fail?
2. What one thing would prevent this failure?
3. How much would you be willing to invest to avoid this failure?

4. Right now, which investment the company is making in new agents has a measurable pay-off in fast sales per agent? For retention of successful first year agents?
5. For any investment the company or manager makes: Can you measure the results? (If not, don't invest in it)
6. Managers: How much is it worth to you to invest in a new agent to assure the agent makes a sale within three months? Within one month?
7. Managers: For agents who fail, how much money, effort, motivation, and team spirit did you lose? How much did it cost you in recruiting?

After you answer these questions, ask yourself: "If I were a McDonald's franchise, what would be the one most important thing I would get from the franchise?" Answer: A start-up business plan with a systematic approach to building the business, coupled with strong, committed leadership to hold the franchisee accountable to the plan.

Bottom line: Investing in a start-up plan with high accountability (you can bet the McDonald's consultants hold the new franchisee to a very high performance standard!) assures a much higher rate of success—and it's measurable. Is it worth \$100, \$1000, or \$3000 for you to avoid failure? It's up to you to decide, and invest your dollars in the best method possible for you to assure business start-up success—fast enough that you stay motivated and inspired to handle the huge rejection and challenges new agents face.

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