

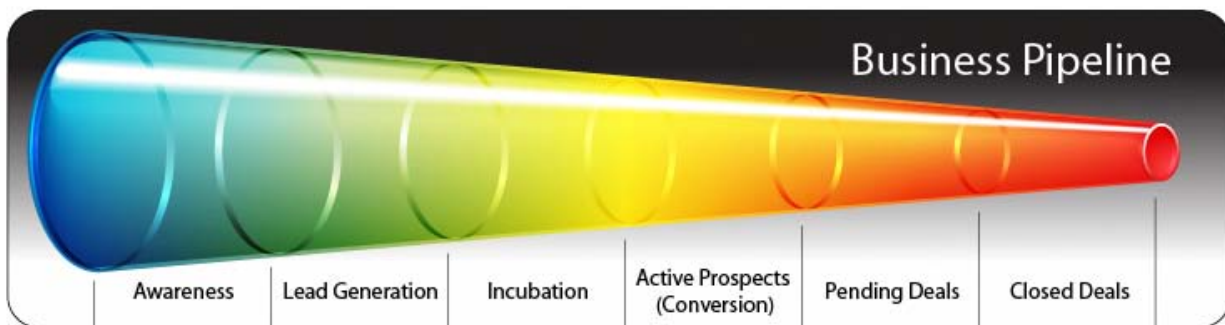
## Introduction

Success in today's real estate market requires a level of business skill that might not have been necessary a few years ago. In 2006, it was relatively easy to generate leads and close enough of them that we weren't too worried about efficiency. Today, ensuring a steady flow of business requires a more methodical approach to ensure that every lead is handled effectively, and to ensure the best return on investment for each marketing dollar spent.

David Packard, co-founder of Hewlett-Packard, once famously observed, "Marketing is too important to be left to the marketing department." While you may have assistants who develop marketing materials or generate leads for you, the *strategic management* of the sales and marketing process is up to you, the business owner. Unless you have more business than you can handle, it's crucial to have a strategy in place and monitor the marketing and sales process, end-to-end. And if you have a team of agents working with you, this is even more important.

## Sales and Marketing Pipeline Stages

The concept of a "sales and marketing pipeline" has been well established in the corporate world for decades, but only loosely characterized by most real estate agents. Agents often refer to "my pipeline" but it is the exceptional agent who can describe in detail what that means, and how they manage it.



While the many business pipeline models in use have their differences, they usually have certain elements in common:

- **Awareness**- creating brand awareness and name recognition. This could be through advertising, signs, your website, etc.
- **Lead Generation**- getting interested parties to identify themselves so you can pursue a conversation. In online marketing, this is usually via online registration forms of some kind.

- **Lead Qualification-** Applying a consistent set of qualification questions in a live conversation with a lead so you can identify serious “prospects.” The most common criteria you need to identify are needs (aka pain or motivation), budget, commitment to purchase/sell, and timeframe.
- **Conversion to Prospect-** leads who meet your qualification criteria and are willing to actively engage with you can be “promoted” to prospect. You will treat these folks very differently from leads as they are now a qualified source of business.
- **Pending-** your transactions in process but not yet closed
- **Closed business-** not just your closed sales, but also analyzing where the business originated

### Lead vs. Prospect

While the stages of the pipeline may be familiar, a key issue often overlooked is the difference between a lead and a prospect. Until an Internet lead is qualified, it’s typically just a name and an email address (or phone number). You need to qualify the lead to determine whether they are far enough along to be worth the investment of your time.

Qualification means:

1. Determining if the lead has a defined need or “pain.” In real estate we often speak of “motivation.”
2. Determining if the lead has a budget. In real estate we speak of price range.
3. Determining if the lead has a committed timeframe. Commitment to a timeframe has a huge impact on motivation.

So if we were qualifying a real estate lead, we would want to know what is motivating them to consider buying or selling a home. Do they need to be in a new home by a certain date? Do they need to sell their home by a certain date to avoid foreclosure? Is there another baby on the way? And we need to determine the price range they are considering, both on the buy side, and their expectations of what their home will bring on the sell side. When we establish these three criteria, we have an active prospect.

But once qualified, then what? An active prospect has passed a fundamental test and therefore deserves to be treated differently from a garden variety lead. In most cases, this means you will be communicating interactively with them *by phone* rather than sending them drip email messages that are one-way communication from you to the lead.

If they are a buyer, you may seek to sign a buyer representation agreement, or if a seller, you may seek to gain their listing. But even before accomplishing either of those goals, you will treat them differently from leads, and *you need to manage them differently from leads as well.*

What if the lead doesn't convert at this time? They may well convert in the future. Powerful internet tools for incubation are crucial in this case. Ongoing drip email campaigns, monthly newsletters, CMA's, and automated email home search lists are all excellent ways to keep a lead engaged via an automated system. Leads may incubate for months or even years before stepping forward for a conversation. However long it takes, automated incubation over the internet is a proven method of surfacing buyers and sellers who are ready to take action. The more leads you have in an incubation system, the more prospect flow you are likely to enjoy down the road.

Conversion of leads to prospects is one of the transitions most critical to your business. The yield of leads to prospects is a reflection of the quality of the lead, but also of the sales skills employed to effect the conversion. Ensuring your team has high-quality scripts and dialogues defined to engage these leads in a conversation that leads to conversion will increase your marketing ROI enormously.



**Amazing insight into your business begins by distinguishing among contacts leads, prospects, and deals. Simple contact management systems don't support this crucial pipeline management principle. As simple as it sounds, managing each stage of the pipeline uniquely brings focus and improved results.**

**In the Real Pro Platinum user interface, there are distinct menu choices for each. The information on each display is unique to the particular stage of business for that contact. At the click of a button you can review new leads, current prospects, pending deals, or closed business, as well as look up any contact in the system.**

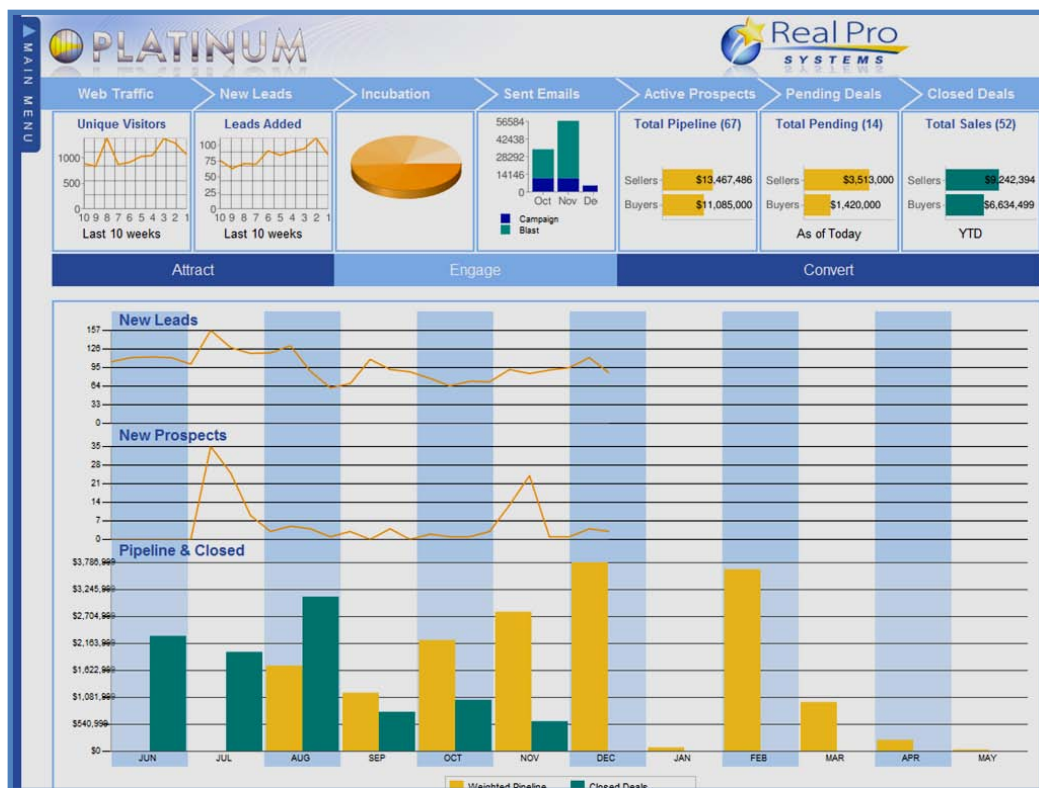
## Managing the Pipeline

You can easily spend too much time focused on one part of the pipeline process and overlook the others. If you overly emphasize lead generation but fail at prospect conversion, you won't generate business; balance is critical.

Packard also emphasized that “you cannot manage what you cannot measure.” Measurement at each phase is critical to effective management, and busy agents prefer that to be automated.

As the team manager, you need to implement some mechanism to monitor each phase of the business pipeline so you know what is working and what isn't. Without it, you'll suffer from the sales equivalent of the “concertina effect.” Long queues of automobile traffic in stop and go conditions exhibit this, moving in bursts followed by being stopped altogether. Observed from the air, this is not unlike watching a caterpillar move along the ground in a series of surges and stops.

Similarly, if we focus all of our attention on lead generation, we can build up a huge flow of leads (surge), but not get around to qualifying them (stop). This creates a backlog of leads, but no business. On the other hand, if we spend all of our time trying to get pending deals closed, we might overlook lead generation and have nothing to work on once our deals close. And so it goes. Understanding the entire pipeline continually, and taking measured actions for each stage is essential to ensuring a steady stream of business.



Each user of Real Pro Platinum has a business dashboard that tracks all aspects of business for the individual agent. The team leader's dashboard shows business across the entire team. Each of the icons at the top shows live data for each stage of the business pipeline. The larger graph shows a 12 month view of past lead generation and prospect conversion, along with closed business and forward-looking projections. At a glance, it's easy to determine if lead generation or conversion is on track.

## Measurements that Enable You to Manage Effectively

So what do we measure on a continual basis, and how do we do so? At each stage of the pipeline there are indicators that enable us to keep our fingers on the pulse of the business. The emphasis here is on Internet-generated business, but need not be limited to that. And these examples are by no means an exhaustive list.

### Key Measurements at Each Pipeline Stage

<b>Awareness</b>	Web site unique visitors, page views, blog visits, blog articles read
<b>Lead Generation</b>	Number of leads, buyer/seller lead ratio, leads by lead source; measuring prospects, pending and closed deals by lead source
<b>Incubation</b>	Number of leads in incubation, incubating leads by lead source, incubating leads by type of drip campaign, etc.
<b>Active Prospects</b>	Number of current active prospects, dollar value of business active prospects represent, lead to prospect conversion ratio by agent, prospect business by anticipated close month; next step for each
<b>Pending Deals</b>	Number of pending deals, dollar value of pending business, pending business by lead source, next step for each
<b>Closed Deals</b>	Number of closed deals, dollar value of closed deals, closed deals by lead source

As you review the suggestions in the table above, you will quickly think of others that would be interesting to track across the members of your team. These are offered as examples, and may be a lot more information than you are currently tracking.

Many agents are just getting acquainted with website analytics that tell you how many visitors have been on your website and what they were looking at. And just about all agents count leads. But that information alone is incomplete, it misses critical elements of the pipeline process.

How many leads did you (or your team) convert to active prospects in the last month? Did one team member do a better job of converting leads than another? How many active prospects are you working with today? Is that number going up or down over time? Is it enough to bring you adequate business four months from now? Do you know what the next step is for each one? Answers to these and related questions enable you to manage today's deals and predict your future business as well. Wouldn't it be nice if you could easily identify your likely future business? Or know if your team is doing the right things today to ensure steady business flow for the rest of the year? Effective pipeline measurement enables effective sales team management.

## Measuring Doesn't Have to be Overwhelming

You may look at this table and feel like choking! After all, you are in business to sell houses, not be a statistician. Chances are, you are currently using different tools to manage only portions of the complete pipeline, and consolidating that data into useful information is a labor-intensive effort. Of course, this probably also means that you and your team are entering and managing information in separate systems, and that requires labor-intensive duplicate data entry.

What if management reports and views such as these were presented automatically as a side-effect of how you ran your business? Imagine if at the click of a button, you could determine which agents on your team did a better job of converting leads to prospects, or which lead sources produced more closings? What impact would that have on how you ran your business?

## Innovation in Pipeline Management

Real Pro Platinum is a new system offered by Real Pro Systems. It provides unprecedented visibility and control across the entire sales pipeline for real estate agents, teams and brokerages. It takes the best practices of corporate CRM solutions, consolidates these into a single system and scales it appropriately for the real estate business.

Built upon a single database behind the entire pipeline, duplicate data entry is all but eliminated. And with point and click drill-down, you have instant insight into what's working and what isn't working. The result is not only more business, but more consistent business productivity. Real Pro Platinum is a team tool, not only generating leads, but distributing them to the members of your team *intelligently*. This means that leads don't have to be distributed manually, nor only in round-robin fashion; they can be routed based on the criteria the lead has provided.

Each agent has a login, where they can see only their own leads, prospects, pending and closed business. New leads are clearly highlighted in red, waiting for the agent to qualify the lead and add notes. Once this happens, it is no longer highlighted in red. Using a customizable set of choices, the agent sets the status for the lead after a conversation, as appropriate. At some point, when the agent qualifies the lead to be an active prospect, the lead is "promoted" to prospect in the system.

Since prospects are managed separately, it's simple for agents to plan their calls. They can work down a list of new leads and then follow up on scheduled calls with older leads. Once their calls to leads are completed, they can focus on their active prospects, and in turn, pending deals and closed deals. Since the status of all of these is managed in the system, and since the built in calendar makes it easy to assign tasks to track what follow-up is required for each one, agents are much more productive managing their business.

When the entire team manages their business in a system that is based on pipeline management, measuring your business at each pipeline stage is automated. Rather than an overt analytical effort, it is a side-effect of following a good business management process.

## **Inspect What You Expect**

Business pipeline management brings great dividends. However, like any other business process, it needs to be enforced or it will not be effective. As a single agent or as the lead agent of a team you have to develop a discipline around the process to make pipeline management deliver its potential benefits.

Real Pro Platinum gives you unprecedented power to inspect what each agent is doing at each stage of their respective pipelines. You, as the team manager, must enforce compliance with your established procedures by reviewing their actions and progress regularly. If you look at the leads for an agent and see that they are not getting called in a timely fashion, it is up to you to enforce that behavior on the part of the agent.

The team activity metrics screen in Platinum enables you to see at a glance how many new leads each agent has received and how many of those have been converted to prospects. You can easily see how often the agent has logged in and used the system.

You may find that one agent has a much lower conversion ratio than the others. This may be a coaching opportunity where an hour of your time teaching the agent how to improve their qualification phone calls may pay enormous dividends. Similar visibility throughout the pipeline will give you new insight into how you can better control the results the team achieves.

## **An Improved Team Meeting**

One of the most powerful ways to bring a team fully on board with pipeline management is to make it the focus of your weekly team meetings. A simple meeting format has been proven very effective. Using a projector you can put the Platinum system display up on a screen. Have your agents take turns presenting, using the appropriate screens in the system to do the following:

1. Bring up the Leads display and walk through each new lead that came in during the past week. Show the current lead rating for each and explain why. Describe the next action and when it will happen. If each agent knows they are going to have to do this, they will be much more likely to qualify their leads in a timely fashion so they aren't embarrassed in the meeting.
2. Bring up the Active Prospects display and do the same. At this stage of the pipeline, they should be able to describe phone conversations, what properties they have looked at, whether they are pre-approved, and specifically what the agent will do with the prospect next. You would expect the agent to speak with the active prospect regularly, perhaps even each week. This is a good time to review the actions of the last week and recommend any improvements.



**A regular team review meeting is an indispensable priority to ensure uniform adoption of pipeline management. Each team member walks through their business. Not only does the meeting enable the team leader to “inspect what they expect,” but also provides a wonderful opportunity to coach everyone on the team and for everyone to share their best practices.**

3. Bring up the Pending Deals display. When a deal is pending, agents should be involved almost on a daily basis. As the agent reviews each pending deal, you would ask about all activity and contact and expect to see that activity documented in the system. Also, since Real Pro Platinum supports action plans that assign tasks across the team for pending deals, you may want to walk through the open action items for each.
4. Bring up the Closed Deals. This is a great opportunity for agents to celebrate their closings. After all, this is the whole point of the effort. But it may be useful to also review where the lead came from that led to each closed deal and any techniques that contributed.
5. Then move to the next agent and repeat the previous four steps. Why not take a turn yourself and do exactly the same thing you are expecting of your team members? Review your own leads, prospects and deals in front of the group and you will build enormous credibility for yourself being accountable, and for the overall process. It provides you an opportunity to teach “how it should be done.” You may even consider going first as a role model!

There are a number of reasons why doing this in a public meeting is so powerful.

1. If your agents know this “inspection” is coming up every week, they will be ready. At a minimum, this means they will update all of their records once per week ahead of the meeting. While this does not exactly conform to the spirit of good pipeline management, it’s a start. Real Pro Platinum provides a variety of features enabling you to monitor when and how your agents are updating their records, so over time, you can coach them to use the system on a daily basis and keep records current. When they do so, the meeting requires no preparation.
2. Each agent will feel peer pressure presenting their business to the group. Managed properly, this is a healthy incentive for each to improve their skills and be on top of their game.

- This kind of review is a coaching opportunity. You, as well as the other agents on your team, may have helpful suggestions for any issues an agent is confronting. Everyone learns from the discussion, and everyone gets better at managing their businesses.

### Conclusion

Business pipeline management is more than counting leads. As outlined here, it is monitoring and managing each stage of the pipeline, with regular review and analysis. The understanding these processes bring enables you and your team to take focused and constructive action that will have a pronounced impact on your business.

While it is possible to manage your pipeline with ad hoc tools and reports, even using spreadsheets, this inevitably makes the management an analysis done after the fact. Your team will be entering the same data into multiple tools, and over time, the systems will each have a “different version of truth.” Agents will not be keeping records current, because the effort is greater than the reward for doing so.

Using a system such as Real Pro Platinum, day to day activities are integral with the pipeline model. It provides a rich set of resources for day to day task management, and with a versatile mobile interface, makes it easy for your team to maintain good records for leads and prospects. While these tools benefit individual agents day to day, they provide informative business views for each agent, and also for you, looking across the team.



**Real Pro Platinum is a comprehensive online marketing system for agents and their teams. It incorporates all of the essential tools into a single integrated solution. This paper describes business pipeline management, which spans the product’s CRM (customer relationship management) module as well as the Business Dashboard. Other parts of the product provide pay-per-click lead generation, an SEO-friendly website, an integrated IDX, online showing feedback tool, and much more. With Platinum, there’s no need to manage multiple systems and grapple with multiple data entry.**

If you are looking for ways to improve lead yield and agent productivity, if you are looking for better methods of assuring agent accountability for leads, if you want a better understanding of your current and future business, consider adopting a more formal business pipeline management process. And if this makes sense to you, consider Real Pro Platinum, a comprehensive system founded on these principles.

*Real Pro Systems provides on-line marketing solutions for leading real estate agents throughout the United States and Canada. The company's offerings include agent websites, lead generation and incubation systems, web marketing services, and agent podcast. Real Pro Systems is headquartered in Eugene, Oregon. For more information please visit [www.realprosystems.com](http://www.realprosystems.com) or call 541.743.8500.*

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