

# Understanding the Listing Flow Process

The flow of listings can be viewed in a similar manner as a business cash flow: cash comes in, is used, or remains. Listings follow the same process: there is an inventory, there are offers in progress, there are contracts in progress, and there are those expired and de-listed listings. A view of the accompanying chart allows for co-brokers, wither those offers you write against other listings, or another agent writes against one of your listings.

The purpose of the Listing Flow is to monitor all those activities and transactions that affect your end goal – CLOSINGS!

Just as a business inventory must be accounted for, we can apply the same "bucket-keeping" accounting as shown in the Listing Flow chart. This accounting permits a measurement of either your personal performance, or the brokerage's performance, on a month-to-month basis. Simply stated, there is a beginning figure to which add/subtract transactions are applied throughout the month, resulting in ending figures that are carried over to the next month. And, an accounting of Closings.

There are 5 performance measurements, ratios, that are helpful in analyzing three areas of the Flow. These "micro" ratios can be used to direct your attention to what areas are weak, low ratios, and what are strong, higher ratios. The performance measurements are:

1. Offers to Listings. Average inventories are used in the calculation. Because of your co-broke transactions, it does not reflect "listing turnover."
2. Contracts/offers. What is your offer turnover? How many offers became contracts?
3. Closings/contracts. What is your closing ratio? How many contracts became closings and put \$\$\$\$ in your pocket?

These ratios will direct your attention to bottlenecks. Not able to get those offers into contracts? Why? Poor listings? Not able to close on contracts? Why? Due diligence failures?

To these micro-measures I've added 2 "macro" measures, which, of course, of course, will be affected by your co-brokers. However, over time, over the months, this effect will not be meaningful distortion.

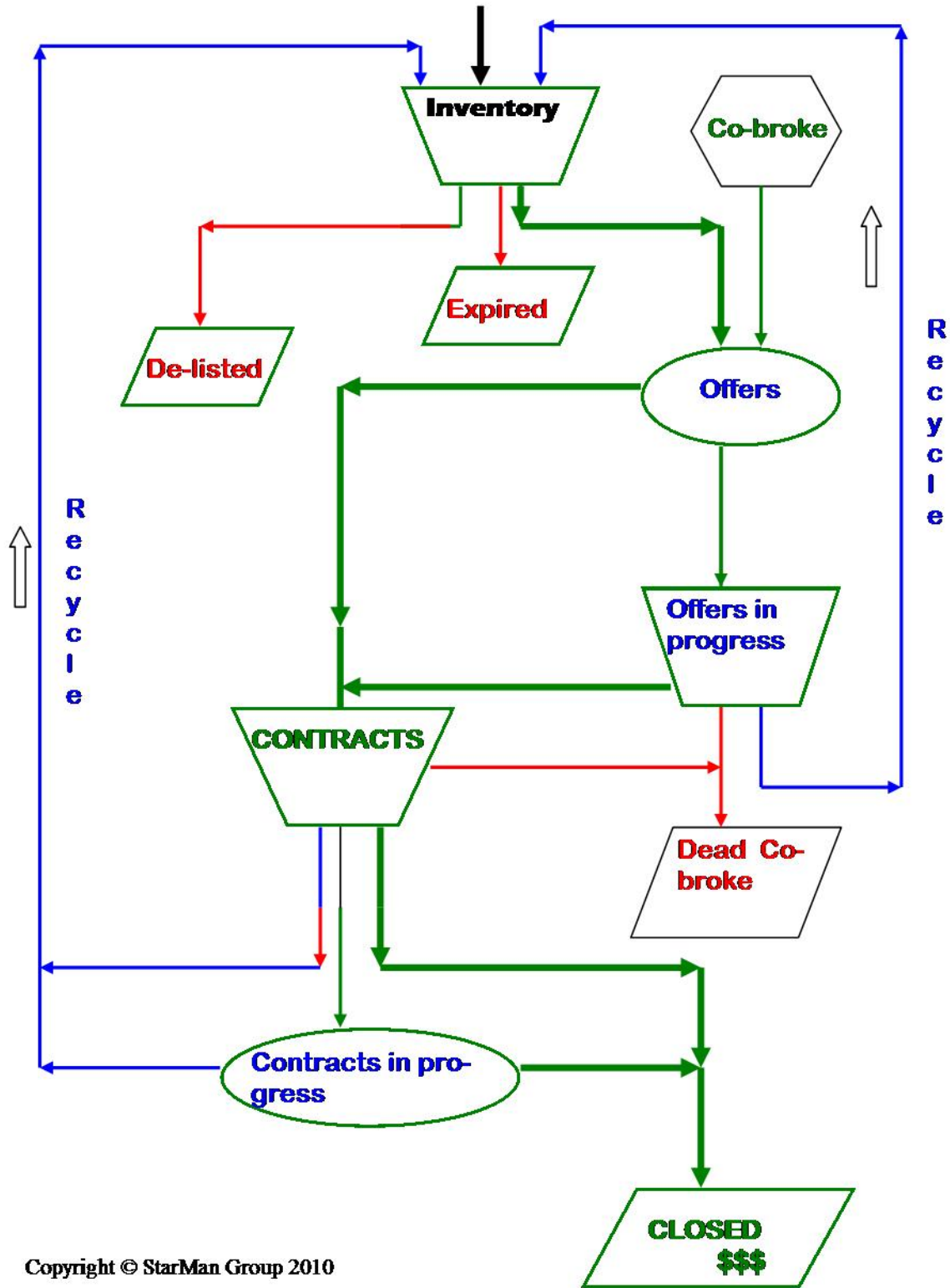
1. Closings/offers. What was the overall turnover of offers into contracts? How many offers do you need to get a contract?
2. Closings/listings. This is a good overall performance measurement. What percent of your inventory made you \$\$\$\$\$?

When first used way back for my VR office in 1988 (a good year), the annual performance measures were:

1. Offers to contract -- 67%
2. Closings of contracts -- 61%
3. Closings of offers -- 41%

The accompanying spreadsheet is a copy of an Excel worksheet for monitoring performance.

# LISTING FLOW



## Listing Flow Analysis 2010

Jan-10   Feb-10   Mar-10   Apr-10   May-10   Jun-10   Jul-10   Aug-10

### **RESULTS**

#### **Offers**

beginning OIP  
from inventory  
from cobrokes  
less (enter minus):  
  contracts  
  recycled inv.  
  dead cobrokes  
**ending OIP**

#### **CONTRACTS**

beginning CIP  
new  
less (enter minus):  
  recycled inv.  
  dead cobrokes  
**CLOSED**                    -  
**ending CIP**

#### **Inventory**

beginning  
new  
less (enter minus):  
  expired  
  de-listed  
**SOLD**                         -  
**ending**

#### **Performance**

Offers/listings  
Contracts/offers  
Closings/contract  
  
closings/listings  
closings/offer