

8 Key Metrics Every Broker Should be Tracking

According to Peter Mueller of the Profit Centre

1

Gross Profit Per Realtor Type Target (GPPRTT)

The most important, yet mismanaged metric. It requires method and knowledge to utilize properly. Setting a clear GPPRTT allows you to define and forecast the remaining key metrics.

2

Your Minimum Production Standard (MPS)

Your MPS is often based on a subjective definition of quality realtors and instead should be defined by when Gross Profit Per Realtor Objective (GPPRO) is achieved.

3

Metrics to Design or Revise Your Compensation Programs

Having GPPRTT clarity allows you to quickly and easily ascertain whether the current compensation programs will be effective in achieving the desired result.

4

Your True Break Even Point

Know your true Cost Per Realtor. This will help you articulate your compensation programs with confidence. It also demonstrates your competence as an operator.

5

Your True Profitability

Your true profitability is achieved after covering all your costs (including paying yourself, where relevant). Break even should be realized at 60% -70% of your potential realtor capacity.

6

Your True Equity Potential

Profitability is essential in order to maximize the equity of your organization.

7

Your Future Financial Targets

Having clarity as to what it would take to achieve the results you desire allows you to identify your future financial targets.

8

Valuation For a Merger/Acquisition or Exit Strategy

Build your business as if you are going to sell it. Creating profit creates equity which in turn creates value.

iBroker and The Profit Centre have partnered to provide Brokers with a powerful back office management solution that simplifies financial management and offers key measures of profitability. Together, the Profit Centre and iBroker offer insight and tools Brokers need to run an efficient and profitable business. Consider a Profit Analysis by Peter Mueller to better understand your financial metrics and see how you compare to other brokerages.