

## **Formulas for Calculating Your Key Numbers**

➤ Net Income (After taxes)	Net Profit (Before taxes)
+ <u>Projected Tax Liability</u>	- <u>Projected Tax Liability</u>
= Net Profit (before taxes)	= Net Income after Taxes

➤ Net Profit	Gross Profit
+ <u>Operating Expenses</u>	- <u>Operating Expenses</u>
= Gross Profit	= Net Profit

➤ Gross Profit	Gross Revenues
+ <u>Cost of Sales</u>	- <u>Cost of Sales</u>
= Gross Revenues	= Gross Profit

➤ Total Gross Revenues  
 $\div$  The # of Transactions  
= Average Gross Revenue/Transaction

➤ Annual Gross Revenue Goal  
 $\div$  Average Gross Revenue/Transaction  
= Annual # of Transactions Goal

➤ Total Annual Cost of Sales  
+ Total Annual Operating Expenses  
 $\div$  Annual # of Transactions  
= The Average Cost/Transaction

➤ Annual Transaction Goal  
 $\div$  85% (The % of properly priced listings that will sell)  
= The number of listings you must take to ensure that your goal will be achieved no matter what

➤ **Prospecting Ratios:**  
How many calls = 1 lead?  
How many leads = 1 appointment?  
How many appointments = 1 closed transaction?