7 Success Metrics Real Estate Agents Should Track

There are dozens of success metrics you can track for your business, so it's vital to focus on those that will help you most effectively streamline your operations, increase lead generation and close more sales. Metrics such as days on market, market share and database growth are easy to quantify, but what about more subjective aspects of your business, like customer satisfaction and database quality?

Success metrics answer the age-old question of "how do you know where you're going if you don't know where you've been?" Knowing what to track can help you evaluate your business performance and show where you need to improve to meet both operational and strategic goals.

Measure what matters

Running a profitable business requires careful attention to detail: You have to determine what success looks like for your business, figure out what goes into achieving it, execute your business plan, then evaluate how well everything came together.

When you look at your outcomes, you'll identify the primary areas that, if improved, will help your business succeed as you define it. These areas are the success metrics to track.

Success metrics should:

- **Link to behaviors:** It's pointless to measure something without understanding what you did—or didn't do—to influence the outcome. There is no magic in succeeding; it takes strategic action on your part.
- **Provide guidance in answering your most important questions:** For example, when you know the average number of days your listings stay on the market, you can address the more important question of "What can I do to reduce that number?"

- **Measure variables that you can realistically influence:** Why bother measuring something you lack the interest, resources or support to change? It can be a morale-buster for everyone if your team doesn't entirely agree with the changes you feel are required for success.
- **Empower you with data to keep learning and growing:** Success metrics show what is happening, not why it's happening. The outcomes you identify are merely starting points for you to make a course correction. It's still up to you to decide why and how to make them.

Business success metrics

You might be surprised at the number of real estate agents who don't track the costs of running their business. Being too busy or not knowing where to begin aren't valid reasons if you want to succeed. Tracking success metrics doesn't have to be complicated, but you do have to be thorough, consistent and realistic when applying them to your business.

1 Revenue and expenses

In addition to showing how profitable you are, tracking your revenue is an excellent way to see where your business scores its biggest successes. Perhaps you attract a large amount of first-time home buyers, or maybe home selling is shaping up to be your strong point. Pinpointing the sources, size and flow of your revenue stream not only illuminates your business performance, it also reveals new directions to explore—or set aside.

You might not care about the number of paper clips your office runs through in a month, but you certainly should care about the overall picture of your expenses. And there are likely more than you realize: lunch with a client, a last-minute bouquet of flowers for a staging, industry memberships—they all affect your bottom line, but can get lost in the daily shuffle of running your business.

How to track

There are plenty of software programs available to help you track expenses and revenue. If you don't want to spend the money, start with an Excel spreadsheet.

2 Agent productivity

You should have an idea of how your team is performing, including yourself. How many leads do you generate in a given time period? How many deals does your office close? How many industry networking events do you and your staff attend? How often—and how effectively—do you work your spheres of influence?

Agent productivity isn't just a way to measure how much money is coming in; it can also help you identify underdeveloped skill sets to be improved or untapped superstars who are ready for the next phase in their real estate career.

How to track

Jotting down your success criteria for each agent in a simple Excel database is a good way to start measuring productivity. Make sure you compare apples-to-apples; if there are agents of varying experience or expertise, tweak your criteria so that the measurement makes sense to you, and is accurate and actionable.

3 Database quality

Your database is only as good as its data and design. When you began building your database, you most likely added anyone and everyone you could find and assigned them to a campaign. Now is the time to measure how that approach is working. Are you sending messages to uninterested or unqualified recipients? If so, how much time, effort and money is that costing you? While you never want to give up on a lead, you want to make sure it's one that can eventually pay off if you continue to cultivate it.

Before starting your measurements, take some time to scrub your database. If you have actionable information about the majority of your database entries, you're likely on the right path to populating your funnel with quality prospects.

How to track

Review your database and see what kind of data you have on each contact; do you at least have a name, phone number and email address? Have you contacted each person? How many times and by what means?

4 Customer satisfaction

How many reviews do you have available for potential clients to read? How many leads do you get through referrals? If your answer to one or both of these questions is "Not many" or "I don't know," you probably have no idea how happy your past clients were with you. Just because they haven't posted a review or passed your name along to other clients doesn't mean that former clients wouldn't recommend you; it might simply mean that you never asked them to—or they forgot that you did.

Referrals and reviews from satisfied clients are real estate currency. Track and learn from them to understand what your customers value most from working with you.

How to track

Referrals and reviews are two of the easiest ways to evaluate customer satisfaction. If you aren't already in the habit of asking for referrals and reviews, you should start now and keep track of who comes through for you. You can also send a post-sale survey that asks clients how they enjoyed working with you. Keep it simple with a 1–5 scale for how they would rate different aspects of their experience, such as your response time, communication style or knowledge of the market.

Marketing success metrics

Measuring your marketing outcomes to see which activities generated the most listings will show you what worked well—and what didn't—so that you can focus your dollars and labor where they will be most effective.

5 Number of listings

The number of listings you have is nearly always a direct result of your marketing efforts, and might be the key area to focus on. You most likely use a diverse set of marketing tools and techniques to generate listings—for example, a Zillow profile page and email marketing messages—or you might use targeted campaigns with URL-specific calls to action (CTAs).

How to track

Use your customer relationship management (CRM) system to track the number of listings you have as well as where each listing came from. How many came to you through a referral? An email campaign? Farming?

6 Website statistics

Every marketing task you undertake should drive traffic to your website, your primary online marketing tool. If you're treating your website as simply an online business card—offering no informative or engaging content—you are missing out on untold opportunities to attract and convert leads.

How to track

Use Google Analytics to track your website's traffic and stickiness. Some metrics you should watch are:

- **Total visits:** How many visitors is your website attracting in a given period of time? If you don't think the number aligns with your marketing efforts, it might be time to revisit where and how you're presenting your website.
- **Bounce rate:** How many visitors leave your website after viewing just one page? If visitors aren't staying to browse your website, they're probably not finding what they needed—or they're bored. Neither scenario is good, so it's probably time to refresh your content.
- **Most popular pages:** Where do people go most often when visiting your website? This metric can provide insight into what your visitors are looking for.

7 Cost per lead

Do you keep track of how much it costs to convert leads into sales? This is a crucial metric to track, as it tells you which marketing efforts are giving you the most bang for your buck and which ones are just sputtering out. A simple formula to calculate your cost per lead is to divide the amount you spend on a campaign by the number of leads that campaign generated:

Amount Spent/Leads Generated

Only you can define the ceiling for your cost per lead—and it might vary, depending on a number of variables such as your market or the advertising programs you participate in—but the lower the cost, the higher your profit.

How to track

Again, your CRM makes it easy to track your cost per lead. If you're not using a CRM, you can create an Excel spreadsheet and set up formulas to calculate your cost per lead, then track it on a regular basis.

Summary

"What gets measured gets managed."
—Peter Drucker, social ecologist and modern management guru

Whatever goals you have for your business—sales growth, staff development, raising brand awareness—this tenet applies to them all. It's easy to be overwhelmed by the details of running your business, but the task list can be winnowed down to include only those things that matter most to you and that you can control; whether it's something tangible like cash flow, or intangible like your process for responding to incoming messages, you can measure it. If you can track what metrics affect your success, you can manage and improve them, and see even greater returns.

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