

## **Strategic Planning**

(even after a Merger)

**What happens when you merge? Never underestimate the chafe of change**

**Corporate culture**

**Merge policies**

**Agent Council**

**Managers**

**How often do you plan?**

**How do you plan?**

**Situation Analysis**

**Micro and Macro economic factors, employment, competition, interest rates, new projects coming on line, etc.**

**Mission Statement**

**Quality, quantity, vision, scope, profitable, audience**

**Objectives/Broad Goals**

**Strategies how to get there**

**Tactics and minutia**

**SWOT**

**Strengths, Weaknesses, Opportunities, Threats**

**Responsibilities/Accountability**

**Clearly who does, by when, who supervises?**

**Time Lines**

**Company participation**

**Owners, Staff, Associates... use an outside facilitator**

**Benchmarking: What are your peers doing in the same situation?**

# Lang McLaughry Spera

Staige Davis, CEO

## Strategies

- Elimination of Raises and COLA adjustments
- Across the board salary reductions by percentages with the owners taking the first reductions personally.
- Ask whether staff would like to see positions cut or take a reduce salaries by percentage
- Cut hours on a per employee basis across the board.
- Encourage unpaid leave (ie one day a month off unpaid)
- Renegotiate leases....Reduce rents by 50% for short period; rent abatement...
- Ask to use security deposit for rent next month
- Executive bonuses are IOU's from the company.... All bonused employees get paid before owners take out any future profits.
- When geographically possible.... One manager for more than one office if the offices are small.
- Close offices or merge
- Eliminate overtime
- Hiring freeze
- Travel Freeze
- Cut back education spending
- Outsource
- Measure how many full-time equivalent employees your firm has per sales associate.
- Spread out payables
- Cut print advertising.... It doesn't work
- Don't take listings which are overpriced...Have a manager review the CMA before you take a listing
- If you have in house maintenance or computer services, sub out to make it work
- Reward those who are utility players and can multitask in your firm.
- Find other sources of income: mortgage, title, etc.

Staige Davis, CEO

## **Strategic Planning Redux**

**Strategic Planning transition to a Changing Market and Changing  
Company  
Or  
Throw out your current plan!**

If your market is trending down, and you see ominous signs, don't wait!

I spoke in the last month with 6 brokers in 'challenging markets'.

Below is the conventional wisdom of their collective markets

Steve Murray of Real Trends predicts that this market may last for several years and we should consider a decrease of 20 percent over the boom years in number of units more or less normal. All markets are truly local though and there will be exceptions.

This is a great opportunity for strong firms to become stronger.

First and foremost

Don't wait until it's too late.

Several large brokerages have gone under in the last year and many prudent brokers have cut staff, overhead and closed offices.

- Get a line of credit.
- Keep a high level of cash in your firm.
- Recruit entire small companies and experienced agents
- Communicate transparently to your Agent Council, Managers, Staff
  - Ask them for ideas to make cost savings
- Communicate losses and prospects