
LEAD FUNNEL

We designed the Locator Lead Funnel to transform lead generation into a mathematical formula.

Focus on elements you can control like conversion rate and lead volume. Don't use new construction, commission rates, or rental rate because you have no control over those elements.

Even when commission rates drop or the economy is in crisis, you can improve your conversion rate and add more leads to your funnel. You control your revenue, not market conditions!

The lead funnel focuses on two numbers: average invoice amount and closing ratio.

Look at your invoices from the past six months and calculate the average commission invoiced. Commission rates go up and down constantly so recalculating your average invoice every couple of months will keep your lead funnel accurate.

Next, calculate your average closing ratio. Your closing ratio with a repeat client or referral will most likely be much higher than an online lead. If you are going through this process because you want to add new online lead sources into your business, you should recalculate your average closing ratio often.

As demonstrated below, if you enter the amount of money you want to make this year, divided by the amount of your average invoice and your closing ratio, the number of leads you need to add to your lead funnel each month becomes a mathematical formula.

Frequently recalculating your lead funnel will help keep your revenue the same throughout the year regardless of market conditions. When you need more leads, spend more money on marketing.

LEAD FUNNEL WITH 1 IN 10 CLOSING RATIO

ANNUAL REVENUE GOAL	MONTHLY REVENUE GOAL	AVERAGE COMMISSION INVOICE	MONTHLY INVOICES NEEDED	AVG CLOSING RATIO	LEADS NEEDED PER MONTH	LEADS NEEDED PER WEEK
\$100,000	\$8,333	\$700	12	1 in 10	119	30
\$100,000	\$8,333	\$750	11	1 in 10	111	28
\$100,000	\$8,333	\$800	10	1 in 10	104	26
\$100,000	\$8,333	\$850	10	1 in 10	98	25
\$100,000	\$8,333	\$900	9	1 in 10	93	23
\$100,000	\$8,333	\$950	9	1 in 10	88	22

BUILD YOUR OWN FUNNEL

You can make a copy of our Google Sheet to calculate your own lead funnel mathematically.

[Click here to make a copy of our Lead Funnel.](#)

AFFORDABILITY

Calculating the average rental rate in your area is very important. It tells you what the average person in your area can qualify for so you can focus your marketing.

If the average salary in your city is \$45,000 per year, then the average monthly income is \$3,750. Most apartments require applicants to make three times the rent, so your average client will qualify for a \$1,250 apartment. Take the time to calculate the low, mid, and high-income levels for renters in your area. Then use your invoices from the past 6-12 months to determine how many clients you have in each category.

	Annual Salary	Monthly Salary	Rent Range
Atlanta	\$46,600-\$70,600	\$3,800-\$5,880	\$1,260-\$1,960
Austin	\$42,500-\$67,500	\$3,540-\$5,625	\$1,180-\$1,875
Dallas	\$40,000-\$65,000	\$3,330-\$5,415	\$1,110-\$1,800
Houston	\$35,000-\$60,000	\$2,915-\$5,000	\$975-\$1,665

QUALIFYING LEADS

I've spoken to thousands of apartment locators over the years and one common denominator of locators who consistently make over six figures a year, is they know how to accurately qualify leads to convert at the highest level.

Use your affordability research to create your minimum qualifications. You are not required to work with every lead and focusing on qualified renters produces a higher ROI. It would be more profitable to spend an hour working on email marketing asking for referrals from past clients than spend an hour looking for an apartment for an unqualified renter.

Average rent range (use your research)	\$1,110-\$1,800
Minimum rent	\$1,050
Verifiable income	\$3,150
Previous rental history	Last 6 months
Outstanding rent due	No
Number of criminal offenses	0-1
Type of criminal offense	Minor (Class B, C, D)
Timeline	Less than 90 days
Housing vouchers	No
Senior housing	No
2 nd Chance Lease	Only if paid in full and 3+ years old
Student housing	No
Military housing	No

CONVERTING LEADS

Fortunes are made in the follow up. If a qualified lead comes in but they aren't moving for 90 days, what is your process to keep them in the pipeline? How much revenue are you losing each month because you don't follow up consistently with long term leads?

Part of this exercise is to help you discover the cost of lead acquisition. Even if \$5 didn't come out of your pocket, you still paid a price to generate leads. Some people like to be prepared so they start their apartment search 90 days out. Within that 90 days they will be searching the internet and forgetting about you if you don't keep in touch.

Another example is if you do pay \$5 out of your pocket for an online lead but after conducting research, they decide it's too expensive to move. Add them to your long-term lead funnel so they receive your drip email each month. In nine months, they should receive your "lease expiration email" showing them specials in the area and asking for their business.

Too many leads are lost without a comprehensive email marketing system. In addition to qualifying leads, one common denominator of locators who consistently make over six figures a year, is they have a comprehensive email marketing system.

I can talk to a locator for less than a minute and tell you how successful they are with the systems they have in place.