

Compounding Illustration

In order to better explain the miracle of compounding noted in the video, I put together this example.

Let's assume you do 2 one-to-ones per week and each generates an average of two referrals per one-to-one. If you are able to get appointments with decision-makers forty percent of the time and have a twenty-percent closing ratio with an average sale price of \$1,000 you will make \$16,000.

Here are the numbers.

2	1:1s per week	50	weeks	100
2	Referrals per 1:1	100	1:1 s	200
40%	Get appointment	200	referrals	80
20%	Closing ratio	80	appointments	16
\$1,000.00	Per sale average	16	dollars	\$16,000.00

If you can simply improve each factor—that is, those you can control—by 15% your results will double. Here is what we are taking about.

2	15%	2.3	Can you do 2.3 one-to-ones per week? Fifteen more per year?
2	15%	2.3	Can you raise your referrals generated to 2.3?
40%	15%	46%	Can you boost your appointment-set rate to 46%?
20%	15%	23%	Can you bump your closing ratio to 23%?
\$1,000.00	15%	\$1,150.00	Can you raise your average sale price from \$1000 to \$1150?

If so, then you will make \$32,181.72. More than double the results with a few small adjustments.

2.3	1:1s per week	50	weeks	115
2.3	Referrals per 1:1	115	1:1 s	264.5
46%	Get appointment	265	referrals	121.67
23%	Closing ratio	122	appointments	27.98
\$1,150.00	Per sale average	28	sales	\$32,181.72

You can have the same impact at 20% in four areas, 25% in 3, and so on. Plug the numbers in for yourself to see. Boost 1:1s, referrals per, and closing ratio by 25% while keeping your per dollar and appointment rate the same. That would be 2.5, 2.5, and 25% yielding \$31,250. Nearly double.

If you only change one factor how many more do you need to do to double the results? You already know the answer. Double any one and you will double then results. Can you work twice as hard as you are now? To double it again the next option is to work twice as hard as *that*. Working on one area leaves no end in sight.

Instead, sharpen your skills in key areas and growth can be exponential.