

# Success Solutions

## Creating an Effective Sphere of Influence Business Model

Commentary by Jennifer Allan

**RISMEDIA**—A Sphere of Influence (SOI) business model is a strategy that focuses on attracting business to you from the people you know and the people you meet socially, as opposed to pursuing business from strangers. It's possible to run a 100% SOI business and never have to make one cold call, memorize a prospecting script or knock on a strangers' door.

### There are three primary activities in an effective SOI business model:

1. Nurturing the personal relationships you already have within your social network (that is, your friends - I call this group my "Group One." Clever, eh?)
2. Staying in touch with "everyone else" (that is, the people you know who aren't your friends - I call them my Group Two)
3. Meeting new people.

Before you panic and say that you don't have the time, money or energy to do all this socializing, don't! Running an SOI business is much less time-consuming and less expensive than just about any other systematized prospecting method, and can be far more effective, more quickly. In fact, if you spend a few years creating your personal cheering section, you can pretty much coast through the rest of your real estate career. That's what I did and in my last five years I rarely worked more than 30 hours a week and my marketing budget was practically zero. My phone rang, I answered it, and I had a new client.

Nurturing the personal relationships you already have

From a philosophical perspective, this means to ensure that the people in your social network (Group One) know that you care about them. In a practical sense, it means that you strive to have a personal conversation with everyone in your social network as often as you can, at least once a quarter. A personal conversation can be a face to face lunch or coffee date, a phone call or even an e-mail exchange. What it's not is a concerted effort to

abuse your friends with a sales pitch. Always approach your social network as a friend first, and a real estate agent second, or third, or fourth. Not the other way around.

Staying in touch with everyone else  
Staying in touch with your "everyone else" group (Group Two) just means that you keep your name in front of this crowd with periodic interesting, relevant, non-salesy written communications, delivered both through snail-mail and e-mail. As long as your mailings are consistent and intelligent, you'll see a significant number of sales from even this minimal effort. Meeting new people

An important part of an effective SOI model is to add to your Groups One and Two, especially in today's market where there is admittedly less business to go around. The more people you know, who know you, and think you're a generally cool person, the more that telephone will ring.

Running an effective SOI business model isn't nearly as complicated as some would have you believe. Yes, it takes some organization and commitment upfront, and an ongoing effort to stay in touch with the people you know and the people you meet, but once it's rolling and you're in the SOI habit, it won't feel like work at all! In fact, it might even feel suspiciously like fun. And "the more fun you have selling real estate, the more real estate you will sell!"

*Jennifer Allan is the author of *Sell with Soul: Creating an Extraordinary Career in Real Estate without Losing Your Friends, Your Principles or Your Self-Respect*, as well as a number of eBooks including *The Seduction of Your SOI: Generating Business and Referrals from the Very Important People Who Know You*, *Dorky Announcement Letters - DE-DORKED!* and *For Sale Signs Don't Pay the Bills*. She is a regular contributor to several real estate newsletters and magazines, a member of the RE/MAX Hall of Fame and one of the industry's most popular bloggers.*

For more information, visit [www.SellWithSoul.com](http://www.SellWithSoul.com).

## The Basics of Moving and Taxation

By Mickey Matteson, CRP

**RISMEDIA**—Now that 2008 is over, it's the right time for you and your clients to begin thinking about taxes. Many of us are getting our records in order in preparation for tax day, April 15, 2009. If you or your clients have made a move

this year, deducting moving expenses may be on your mind. But are all expenses allowable tax deductions?

The IRS does allow tax deductions for some of the costs associated with a move to accommodate a job in a new location. There are, however, two tests which must be met in order to qualify for deductions.

### Test 1 - Distance Test

To qualify for a deduction, your new principal workplace must meet a 50-mile test. The distance between the old home and old work minus the distance between the old home and the new work must be greater than 50 miles. In other words, if the commute to the old workplace was 3 miles, a commute from the previous home to the new workplace must be at least 53 miles. If the person did not have a job before moving, then the new job must be at least 50 miles from the previous home.

### Test 2 - Time Test

A person must work full time in the general area of the new workplace for at least 39 weeks during the 12 months right after the move. There are exceptions to the time test and other rules apply for those that are self-employed.

If you are not sure if you or your clients meet the requirements to deduct your moving expenses it is best to check with a tax advisor or visit the IRS website, Publication 521, and Form 3903 for more details.

### If both tests are passed then some expenses may be deductible:

- Costs for packing, crating and movement of your household goods

- Up to 30 days of storage and insurance for household goods

- Transportation and lodging expenses (not meals) while traveling to new location

If you have clients who have made a move in 2008, it is a good idea to advise them to check with a tax advisor before deducting their expenses to make sure that they take the right deductions. According to Forbes, one of the top reasons for IRS tax audits is claiming too much for itemized deductions, including the deduction of moving expenses.

For more information, call *The Move Advocate* at 800-617-1918 or visit [www.themoveadvocate.com](http://www.themoveadvocate.com).

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