

Best Practices for Small and Indie Brokerages

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I. In today's session you will learn:

- Best practices for recruiting, retention, and agent supervision from over 50 top indie and small brokers.
- How to calm angry situations, handle terminations, and minimize risks posed by agent teams.

II. New brokers: Questions to ask as you launch

- What are your greatest strengths as an individual and as a brokerage? Build your business on these.
- What type of brokerage do you want to lead—small, multi-office, regional, or larger?
- Where to specialize? (Choose single family areas with high turnover over mixed use areas.)
- Describe your ideal client mix by location, property type, price range, age, language spoken, etc.
- What niches will be the most profitable?
- Be prepared for the naysayers.

III. Is partnering the right choice for your brokerage?

- A good partner shares your values and has different, but complementary skills to your own.
- Assign who handles which functions including day-to-day operations, back office systems, risk management, team management, HR, etc.
- Document as many operational and procedural details as possible in writing.
- Agree on how you will hold each other accountable.
- Who will be the 51 percent operational partner? If you cannot trust your partner with 51 percent, don't partner.
- Create "what-if" strategies including a written exit strategy. (Include involuntary breakups, death of a partner, illness, dishonesty, commission of a crime, or other issues that could hurt the business.)
- Finalize a "buy-sell" agreement that governs how the partnership will terminate including clarifying the exit agreement for each partner.



IV. The top three things agents want from their broker:

- My broker has my back.
- Deep contract knowledge and the necessary tools to operate their business.
- A business family that works and plays together.

V. Who to Recruit? The Top Five Factors

- The Behavioral Profile of real estate sales success: High D-I on the DISC and "High utilitarian"

- The four primary behavioral styles (from Target Training International) High scores on D-I factors.
- **Dominance “D:”** High drive, get it done, doesn’t build relationships or worry about breaking rules.
- **Influencing “I:”** People person, likes to talk, without the “D” factor has trouble taking action.
- **Steadiness “S:”** Dependable, habits, systems, overprepares, slow to trust or change.
- **Compliance “C:”** Detailed-oriented, follows rules to the letter, and prefer numbers and technology to being face-to-face with people.
- Support staff profiles
 - Above 50th percentile on “S” and “C” factors.
 - ISC best for staff who work with clients.
 - SC’s are perfectionists and best for very detailed work.
- Motivation: High “Utilitarian score” predicts sales success at the 72 percent level.
- Learning Mindset
- Emotional Resilience
- Dependability

VI. Recruit for Profitability, Not Revenue

Name	Total Volume	Split	Ave Commission	Total GCI	Office Net
Top Producer	\$30,000,000	90-10	2.76%	\$828,000	\$82,800
Agent 1	\$3,614,000	70-30	2.82%	\$101,914	\$30,744
Agent 2	\$3,240,000	70-30	2.78%	90,072	\$27,021
Agent 3	\$3,146,000	70-30	2.71%	\$85,256	\$25,577
TOTAL	\$10,000,000			\$277,242	\$83,342

VII. Compensation models

- You need to retain 23-25 percent of your GCI to be profitable unless you have other revenue.
- Increase your office GCI by charging 35-50 percent for office generated referral leads.
- Offer affiliated services such as escrow, mortgage, title, transaction management, etc.
- Recruit to the “sweet spot” for your brokerage with a graduated commission model.

VIII. SWOT both your company and your competitors

- Which three of your strengths are least likely to be matched by your competitors?
- What are the three weaknesses that you can do something about that will maximize your ability to compete with competitors?
- How can you use your strengths to attract and recruit the best possible agents to your office?
- Which of your competitors' offerings could you offer in your brokerage to be more competitive?

Uncover their strengths and weaknesses

Competitor's name: _____

	Your Brokerage	Competitor
<i>Internal Factors</i>	Strengths: What you do better than your competition does?	Weaknesses: What does your competition do better than you do?
<i>External Factors</i>	Opportunities: Factors you cannot control that benefit you.	Threats: Factors you cannot control that benefit your competitor.

IX. Create your Unique Recruiting Proposition (URP)

- 30 tools and services you can use to create your company's URP.
- See the end of the handout for a list of unique tools and services very few of your competitors use, and even fewer agents discuss with their buyers and sellers.
- Incorporate these into your URP and also help your agents to construct their Premium Marketing Plan for their listings using these same tools as well.

Unique Recruiting Proposition

Office Services	Our Co	Co 1	Co 2
Brochure Program	✓		
Business cards	✓		
Company signs	✓		
Free workstation/desk	✓		
Free copier services	✓		
Open house signs	✓		
New agent mentoring program	✓		
Full-time, non-competing manager	✓		
Transaction coordinator	✓		
Tech Tools			
Company provided CRM	✓		
E-signature program	✓		
Paperless office with digital transaction rooms	✓		
Personal agent website	✓		
Showing software	✓		
Zip forms	✓		
Listing and Buyer Conversion Tools			
All company listings translated into 18 languages	✓		
Access to 24-7 chatbot lead conversion service	✓		
Facebook global listing marketing services through Real-Buzz	✓		
Free detailed property reports on every company listing	✓		
Help seniors keep their home (Our Company Mortgage Program)	✓		
National relocation services	✓		
Predictive analytics CMA	✓		
Property warranty, recall, and user guide for all company listings	✓		
True cost of homeownership comparison tool	✓		
Culture			
Agent appreciation events (Chili cook off, quarterly awards)	✓		
Company contributes 10% of net profits to local charities	✓		
Energy saving tools and green upgrades coupons & support	✓		
Giveback Homes program for agent charitable giving	✓		
Relay for Life Walk for the Cure Annual Sponsor	✓		
Two annual spruce up days for Our Town Elementary School	✓		

X. 21 ways to reach potential recruits

1.	Advertising in local papers.	√
2.	Chamber of Commerce, Rotary, or other service club meetings.	√
3.	Comment on (not just like) their social media posts.	√
4.	Handwritten notes acknowledging a success the agent had.	√
5.	Host a booth at a job fair for people transitioning into new careers	√
6.	In-office recruiting incentive program.	√
7.	Invite the agent to an educational or social event at your office.	√
8.	Lists of out-of-state agents seeking their salesperson license (they may have just relocated.)	√
9.	Local real estate schools	√
10.	MLS or Board of Realtor functions.	√
11.	New member orientation at the Board of Realtors.	√
12.	Newspaper press releases.	√
13.	Promote new and experienced agents in your office in local papers.	√
14.	Property caravans	√
15.	Referrals from your agents for your “breakfast club.”	√
16.	Send a thank you note to cooperating agents on company listings and sales.	√
17.	Social contacts—look for mutual friends and interests.	√
18.	Sponsor a local holiday food drive or other charitable fund raiser	√
19.	Sponsor a licensing or a CE class at your local Board of Realtors.	√
20.	Volunteering in local charitable events.	√
21.	Weekend or broker open houses.	√

XI. Best practices for recruiting interviews

- Have all candidates complete a job application.
- Conduct more than one interview—anyone can bring their “A” game once.
- Review their public social media posts.
- Avoid sitting behind a desk.
- Ask “how” and “why” questions that provide more detailed answers.

Five SWOT questions to ask on every experienced agent interview

- What do you like about your current office?
- How is your firm investing in your success?
- What’s missing from your perspective?
- What three tools does your company provide that you feel you can’t do business without?
- If you were going to recommend that an agent join a brokerage other than your own, what about that company would cause you to recommend them?

Experiential questions that explore the agent’s skill set

- If I were to refer listing lead to you, how would you market it?
- One of your listings is about to expire. What will you do to make sure your clients relist with you?
- An agent in our office had a problem in a transaction with XYZ. How would you have handled it?

XII. Ten key questions to ask new agents

1. Do you have enough income to support yourself for at least six months with no commissions?
2. Do you plan to work full time?
3. Are you willing to cold call and door knock if that's what it takes to succeed?
4. Are you a people person who is comfortable striking up conversations with strangers?
5. Are you comfortable with an unpredictable environment where your schedule often requires working nights and weekends?
6. Do you prefer to communicate face-to-face, not just by texting or on social media?
7. Are you a bottom-line person who focuses on how different strategies and technology help you get better results in your business?
8. Do you enjoy learning as a way to improve yourself including keeping up with technology changes?
9. Are you actively involved with your community, your place of worship, charity, or other activities that help others?
10. What are your income expectations for your first year in business?



XIII. Strategies for closing potential recruits on joining your office

- Lay the groundwork during the earlier parts of the interview by writing down what the agent says is most important to him or her.
- When you're ready to close, reference what they mentioned as being most important as part of your offer.
- Provide a solution or benefit to the issues or problems they raise. Offer to assist them with obtaining that benefit.

XIV. Close on a pain point or major goal

You mentioned earlier that you would like to take more listings. Here's a copy of our 16-point Premium Marketing Plan that helps our agents convert almost every listing appointment they go on. The main reason this converts so well is that we use the best artificial intelligence CMA tool currently available that allows you to add in appraisals, Zestimates, old and new comps, plus also predicting future value. Would like to see how it works?

- Imre.ca and WeissAnalytics.com (See last page for more details).

Premium Marketing Plan for the Property Located at:

Courtesy of		1	2	3
16 Key Strategies to Net You the Most Money from Your Sale	My Co			
1. The Four "P's" all agents do: put up a yard sign, post your listing online, on MLS, and market it in print.	✓			
2. Charity: we donate 10 percent of net profits on every deal	✓			
3. Chatbot rapid response lead converter captures leads and schedules showings 24-7.	✓			
4. Comprehensive disclosure system and written seller service guarantee minimize your exposure to costly litigation.	✓			
5. Customized print marketing includes targeted, niche strategies with Just Listed and Just Sold cards.	✓			
6. Lifestyle marketing strategy highlights benefits of living in your area.				
7. Matterport 3D and Virtual Reality property tour	✓			
8. National buyer and seller relocation network	✓			
9. Open House (traditional & broker) with refreshments and Spacio instant conversion system.	✓			
10. Predictive Analytics CMA adjusts for upgrades and appraisals for the most accurate pricing possible.	✓			
11. Single property website and Facebook business page using the seller's address as the URL.	✓			
12. Social media marketing plan posts your listing on Facebook business page, Marketplace, Instagram, Pinterest, YouTube, and other social media sites.	✓			
13. Smart Homeowner system: manuals, repairs, parts, and recall notices for all your appliances.	✓			
14. Staging services to make your home look its best.	✓			
15. True cost of homeownership tool.	✓			
16. Listing posted in 18 languages online & on Facebook.	✓			

XV. A powerful retention tool (and great for closing for another appointment) The Production Profile

- Use the production profile to focus them on their top 50 percent.
- Pricing focus: SFR listings priced \$530,000 to \$650,000 and condos \$210,000-\$295,000.
- Primary business source: past clients.
- Primary age group: 40-50
- Primary client type: single or divorced female.
- Predominant industry/career: technology
- Listing or buyer focus: listing
- Oak Hill & Playa two best subdivisions.
- International clients 20% of her business.

Address	Price	Client type	Age	Household	Career	Buyer-Seller	From	New location
1. Temple	380	PCR	40	C-kids	Tech	B	Boston	Ingledale
2. Oakwood	220	PCB	40	F-single	Teach	B	Local	Oak Hill
3. Elm Street	672	PCR	50	C-kids	Doctor	B	London	Oak Hill
4. Creekwood	730	Blog	40	C-kids	Tech	S	Local	Oak Hill
5. Bryan St	525	PCR	40	F-single	Tech	S	Local	Mid city
6. Tourney Rd	255	Sphere	50	W-Divorce	Tech	B	Local	Ingledale
7. Larkspur	725	Blog	30	Couple	Tech	S	Local	Oak Hill
8. Cypress Wy	350	Website	50	W-Divorce	Writer	S	Dallas	Mid city
9. Oceanview	260	PCR	40	Invest	Builder	B	Local	Playa
10. Laurel Way	260	PCL	50	Couple	Tech	S	Local	Oak Hill
11. Marine Ave	210	Sphere	40	F-Single	Tech	S	Local	Playa
12. King St.	810	Agent	40	Couple	Tech	S	India	Summit
13. Larkin Ave	925	Blog	40	C-kids	Tech	B	India	Summit
14. Vista Dr	536	Blog	30	F-Single	Exec	S	Local	Playa
15. Playa Dr	445	PCL	60	Couple	Retiree	S	Local	Playa
16. Bella Vista	610	PCL	60	Couple	Retiree	S	Local	Playa
17. Bayview	295	Sphere	40	F-Single	Teach	S	Local	Playa
18. Terrace Dr	580	Website	50	M-Single	Teach	S	Local	Oak Hill
19. Charter Rd	950	PCB	40	C-kids	Doctor	B	India	Summit
20. Canyon Dr	610	PCL	40	F-Single	Tech	S	Local	Oak Hill
21. Anita Way	595	PCL	50	Couple	Tech	S	Local	Oak Hill
22. Dunlap St.	580	Blog	40	F-Single	Tech	B	Local	Holy Glen
23. Driftwood	500	Sphere	40	W-Divorce	Tech	B	Local	Playa
24. Hansen St	515	PCR	40	Couple	Dentist	S	Local	Ingledale
25. Northcross	378	Blog	30	F-Single	Tech	B	Taiwan	Mid city
	96%\$500-\$630	48%	56%	44%	56%	60%	20%	32% Oak Hill
\$12,356,000	24% \$210-\$295	Past client	40-50	F, single/divorce	Tech	Seller	International	28% Playa

XVI. Welcome to our brokerage kit

1	Brochure program	Mary Johnson	602-555-2502
2	Business cards	Mary Johnson	602-555-2502
3	Coaching	Paul Mayer	602-555-3486
4	Company signs	Mary Johnson	602-555-2502
5	CRM (training)	Paul Mayer	602-555-3486
6	Desk setup	Mary Johnson	602-555-2502
7	E-signature program	Paul Mayer	602-555-3486
8	Free copier access	Mary Johnson	602-555-2502
9	iPad loaded with agent productivity software and training videos	Paul Mayer	602-555-3486
10	Mentoring	Jim Richardson	602-555-4633
11	MyCentriq.com appliance-maintenance notification app	Mary Johnson	602-555-2502
12	Open house signs	Mary Johnson	602-555-2502
13	Paperless office (training and software install)	Paul Mayer	602-555-3486
14	Phone setup and voicemail	Mary Johnson	602-555-2502
15	Professional photo service	Bans Photography	602-555-6753
16	Showing software	Paul Mayer	602-555-3486
17	Support staff services (marketing, listing prep, website, etc.)	Mary Johnson	602-555-2502
18	Transaction coordinator	Sally McDonald	602-555-6178
19	Transaction management software including transaction rooms	Paul Mayer	602-555-3486
20	Website setup	Paul Mayer	602-555-3486

XVII. Ten powerful retention strategies that strengthen your connection

1. Always make your agents feel that they are your #1 top priority.
2. Create a fair and transparent system about how incoming office leads are distributed.
3. Empower your agents: If they have a problem, ask them to bring at least one solution, and if it is a small problem (under \$200-\$1,000), let them decide how to resolve it.
4. If you're busy, schedule at least two times daily that you are available to help your agents.
5. Schedule a half-yearly production profile reviews to help your agents grow their business.
6. Post video testimonials for your agents on Facebook and LinkedIn.

7. Have one major annual company event plus fun quarterly events such as a chili cookoff, monster truck night, family picnic day, boat party, etc.
8. Contribute a percentage of every transaction your company closes to a local charity and actively support local fund-raising and causes.
9. Hold an awards event where every person in your office receives a fun award for something they did during the last year.
10. Create a book club, mastermind group, or coaching group around business issues where your agents would like help.

XVIII. Best practices for supervision

- **General guidelines**
 - Document all your company's processes in your Policies and Procedures manual and be a stickler for following these guidelines.
 - Use written employment agreements with an individual arbitration clause to protect against class action lawsuits and other types of litigation.
 - Use a digital signature platform with transaction management "rooms" to minimize risk.
 - Develop your succession plan right from the start.
- **Supervisory requirements: Whether you are a broker or an agent, if you hire an employee to work in your business, you must:**
 - Track the hours employee actually worked, even if the employee worked at home.
 - Pay the required minimum wage plus overtime as required by your state laws.
 - Provide breaks as provided by law.
- **When there's a mistake**
 - If it's your mistake, own it, clean it up, learn from it, and move on.
 - If it's an agent, remember the #1 thing agents want is a broker who has their back.
 - Be hard on the issue, not the person—compassion and understanding matter.
 - Place principles over profits.
 - Avoid judging others by the expectations that you set for yourself.
- **Strategies for calming angry situations.**
 - Within the first 30-60 seconds, do a pattern interrupt by saying:
Would you pause for just a moment please? I would like to get a pen and a piece of paper to write down what you're saying.
 - The number one thing most angry people want is to be heard—taking notes and repeating what they said lets them know they have been heard.
 - As they describe the situation, do a second pattern interrupt by saying:
Would you mind pausing for a moment please? I want to make sure that I captured what you just said correctly.
 - Read back what they said in a slow, calm voice, and ask: *Did I get that correctly?*
 - Repeat every 1-2 minutes or so. Each time you read back what they said, it calms the situation.
 - If there has been a mistake on your side, never say, "I'm sorry," because that requires an explanation. Instead say:

Tell me, what can we do to fix this situation?

- Rather than focusing on what went wrong or making excuses, this question shifts the focus to finding a solution.
- If you can't resolve the situation, schedule a time to get back with them the next morning.

XIX. Guidelines for termination

- Incompetency and production levels can be helped with additional training or coaching.
- When good agents have a slump, look for what caused it and work towards a solution to help.
- If the situation cannot be improved, terminating the agent is your best alternative.
- Consult with a labor attorney to determine your termination process.
- Best time to terminate: early on Tuesday or Wednesday.
- Request a face-to-face meeting. If the agent ignores your calls or other communications, contact your state's legal hotline to determine how to return the agent's license and what is required for documentation.
- Have zero tolerance for dishonesty: fire immediately and notify your board and real estate commission about the violation—otherwise your license can be at risk.
- Note: When agents leave on their own, stay on good terms; they may send other recruits or even return.



XX. Do you release their listings?

- Have all new hires sign an agreement outlining your policy on listings if they leave the company.
- If the property is under contract, your brokerage closes the deal.
- For current listings, determine if the seller wants to stay listed with your firm. If not, require a letter from the seller requesting the change to a different brokerage.
- You may opt to negotiate a referral fee depending upon who keeps the listing.

XXI. Minimizing Risks from Agent Teams

- You are on the hook for what they do.
- The inherent conflict: real estate laws require brokers to supervise their agents—the labor laws prohibit employers from supervision of independent contractors.
- The real estate laws protect the supervising broker/manager to some degree.
- NOTHING in the law allows an IC agent to supervise or direct another IC agent—they must be treated like an agent receiving a referral, otherwise it's an employee situation.
- ALL agents and staff report to and are supervised by the supervising broker/manager, not the agent team leader.



- Agent team leaders cannot treat IC agents as employees by having them attend meetings, sit open houses, use their systems, etc.
- Assistants who have regular hours must be treated as employees with overtime, breaks, and benefits tracked as per state employment law.
- Teams can use virtual assistance, while hourly rate employees can be outsourced through an employment service, both of which are business-to-business (B2B) relationships.
- All transactions flow through company services (e.g. transaction tracking, contract review, etc.)
- Use ADP or Paychex for handling withholding and other employee/agent benefits.

Key takeaways from today

- Do a SWOT Analysis to identify your growth opportunities and to create your Unique Recruiting Proposition based upon that analysis.
- Use the production profile to schedule follow-up recruiting appointments and as a powerful agent retention tool.
- Use the tools and systems from today's session to recruit and retain more agents.

Powerful Resources from Today's Session to Maintain Retention and Differentiate Your Services from the Competition

1. BrokerageUP.com: Recruiting program, broker digital magazine, UP!, and our Office Meeting in a Box Product.
2. CentriQ (www.myCentriq.com) provides the user manuals for each home's appliances by simply snapping a picture of the serial number, reminds users of regularly scheduled maintenance, notifies users when there are recalls, provides information on where to find parts for repairs, etc. There is a Free version or it's \$5.00 per listing per year to private label it for your clients.
3. DownPaymentResource.com: Aggregates local, state, and federal down payment assistance programs. The average user obtains @\$13,000 in assistance (requires good credit.)
4. Immobil.com and Real-Buzz.com allow you to translate your listings into 18 different languages and chat in real time on Facebook with clients in their native language about your listings.
5. IMRE.ca: Convert leads instantaneously 24-7 with your own private virtual real estate assistant (the new chatbot technology). View the video at <https://www.youtube.com/watch?v=iKOB18iwcvA> to learn more.
6. NARRPR.com and HomeDisclosure.com for free detailed reports for each of your listings.
7. ReferralExchange.com: Refer business anywhere in the U.S. and make sure you get your commission (over 250,000 referrals made to date).
8. TLCEngine.com evaluates not only mortgage, insurance, taxes, but also the actual lifestyle costs associated with living in a property to provide the true cost of homeownership of a given property. It includes utilities, projected maintenance, commute times, plus 100 other factors.
9. WeissAnalytics.com: The most comprehensive Artificial Intelligence based CMA in the industry that allows you to add past appraisal data, your own comps, plus Zillow Zestimates while also integrating all available comparable sales for the last ten years or more. Their heat maps show where the market is trending as far back as 2001.

