



RE/MAX  **INTEGRA**

BROKER/OWNER & MANAGER

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The Evolving Agent Model:

Where Does Your
Brokerage Fit In?



The

Evolving

Agent

Model

**Where does your
brokerage fit in?**

7 Team/Brokerage Issues:

1. Teams are here to stay! (But Team Leaders are still searching for effective models)
2. A wall is being built “brick by brick” between teams and brokerage
3. Many teams are not delivering a return on time or investment for Team Leaders
4. Team Profit is never known to most Brokers
5. If profit is low, Team Leaders look to “cut” their way to success
6. Understanding the Dynamics of Talent (and why talent affiliates)
7. Teams can bring great value to your brokerage!

Issue #1: Teams are here to stay!
(But Team Leaders are still searching for effective models)

Over time, business models are validated or invalidated

To date, the team model has not been established as valid or invalid

However, the basic premise that drives teams has been in existence for years...we used to call it traditional brokerage

Two basic models exist for a team:

Organic

Purchased Business

Issue #2:

A wall is being built “brick by brick” between teams and brokerage

Office support staff

vs.

Team support staff

Enhanced Team marketing and PURCHASED lead generation

vs.

Office advertising and no cost lead generation by office

Team Profitability

vs.

Office Profitability

Team Training

vs.

Office Training

Team Recruiting

vs.

Office Recruiting

Issue #2: A wall is being built “brick by brick” between teams and brokerage

As teams become more and more “self sufficient”, teams begin to look outside the office for assistance, thus putting the final “bricks in the wall”

What must you do?...

“Tear down that wall!”

- Ronald Reagan

Issue #3: Many teams are not delivering return on time or investment for Team Leaders

All teams begin because of a Time/Money challenge, and team leaders see the team as a way to make more money, or get their personal time back and still do production

Yet, many team leaders are working harder than they have ever worked for less money than they have ever made...

Why?

The Team/Team Leader is trapped in “Death Valley”

Issue #4: Team Profit is never known to most Brokers

As a broker, do you know the profitability of the teams in your office?

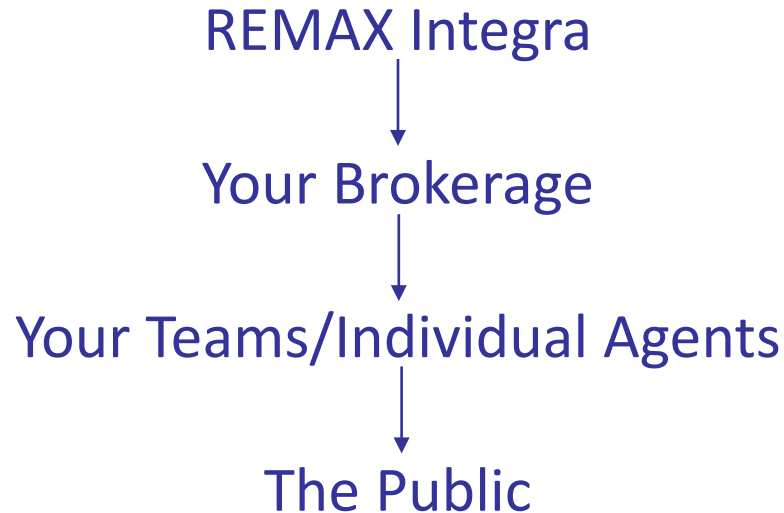
As team GROSS revenues rise, team leaders are hesitant to share the “behind the curtain” numbers...Why?

1. Teams with low net income numbers are afraid to admit they are running an inefficient model
2. Teams with high net income numbers are afraid the brokerage will look to raise their fees

Issue #5: If profit is low, Team Leaders look to “cut” their way to success, and brokerage \$\$ is first...

“All value must be Irresistible, Irreplaceable and Relevant” – REMAX Momentum

Embrace and reinforce the “Value Chain”



Issue #6: Understanding the Dynamics of Talent

1. “Talent” will figure it out!
2. “Talent” knows they will figure it out!
3. “Talent” ONLY affiliates for three reasons...

SUPPORT/DIRECTION

RELEVANT VALUE

TO SHORTEN TIMEFRAMES

FACT:

You will NEVER have the ability to attract, and more importantly KEEP, talent that is more serious, dedicated, and eager to grow than you are!

Issue #7: Teams can be of great value to your brokerage!

Teams have 3 inherent values to your brokerage:

Revenue

Market Presence

Recruiting Leverage Point

Now that we've established the issues...

Let's talk strategy!

Why do Agents start Teams?

Time

Money

Larger Market Presence

Provide a Higher Level of Service

Create Opportunity for Team Members

“I think that maybe inside any business, there is someone slowly going crazy”

Michael Gerber, “The E-Myth Revisited”

The 5 Team Challenges:

Staffing

Training

Leading

Lead Conversion

Profitability

Your brokerage MUST establish a role in each...

Staffing

“The ability to make good decisions regarding people represents one of the last reliable sources of competitive advantage, since very few organizations are very good at it” - Bradford Smart, “Top Grading”

Recruiting to a team is SIMPLE!!! Getting team members to perform is not!

Having the correct members on a team is crucial to its success. This is one of the key points where the brokerage can step in and help with a team.

Team leaders are quick to hire, and slow to fire. Remember this mantra...
“If you are slow to fire, you must be GLACIAL when you hire”

Staffing

Help with the hiring process, be willing to interview for the team, both Agents and Staff
Work with the team leader to create a process for hiring
Be part of the interview process. (Two heads really are better than one)

Be willing to provide the team with agents if needed
If an agent is not a fit for your office due to their financial situation, a team setting may be right for them
Be willing to have the conversation

This is a leverage point for your brokerage!

Staffing

Work with Team Leader to create protocols for interviews.

Learn to understand behavior/personality tests (DISC or Allesandra)

Establish a 7 step process for interviews:

1. Job Posting
2. Resume' review
3. Behavior profile review
4. Interview
5. Reference Check
6. Interview #2
7. Offer

Buy These Books!!!!

“TOP GRADING” and “TOP GRADING for SALES” by Bradford Smart

Training

What is the number one thing team leaders want from their brokerage?

Training for their team members!

What is the comment I often hear from brokers?

“I’m not going to train team members”

Training

Team Leaders operate with the “watch me” training program, which only works if the trainee is exactly like the Team Leader, and would have the same job as the team leader. This is an oxymoron, given that a highly effective team needs different personalities due to the different job roles.

Embrace training all members on the BASICS of the business!

Contracts

Presentations

Scripts/Dialogues

SOI Systems

Leading

Stress to the Team Leader the importance of having documented systems in place!

Challenge the Team to document their processes BEFORE they expand!

Caution future Team Leaders on moving too quickly into the team realm

Team Leaders are not strong managers. Many didn't realize there was even a management component to running a team

Coach the Team Leader on the importance of structured team meetings on a weekly basis (minimum)

Leading

Be willing to help lead the team meetings

Numbers Review

of Contacts

of Appointments

of contracts

of closings

Questions:

Your goals for the last week were...

How did you do?

What was the best thing that happened last week? What was the worst?

How would you rate the team on a scale of 1-10?

What would have made it a “10”?

If you could change one thing on the team, what would it be?

What is the biggest challenge?

If you could have a “do over”, what would you do differently?

What have you learned so far?

What is your goal for next week?

How can I help you?

Leading

Help the Team Leader establish standards and hold the team members accountable

Coach the Team Leader so they can coach their members!!

Praise is always given in a group setting

Criticism is always done in private

Be willing and able to be “Darth Vader” when needed.

Lead Conversion

2 basic team growth strategies:

Organic

Purchased Business

“The goal of any contact is to IDENTIFY a potential client, not to turn people into clients”

Team leaders have bought into “incubation times” *This is hampering production and profitability*

Third parties are selling QUANTITY, the agents MUST be able to identify the “quality within the quantity”

Lead Conversion

PURCHASED BUSINESS ISSUES:

Conversion Rates are very low

Cost per lead is rising, conversion rates are not

Leads are actually better than teams realize

Team Leaders don't/haven't taken calls (leads are purchased "for the team")

Differentiation at initial contact

Continued Differentiation throughout the process

Larger and larger databases of "leads" are being created, but not effectively worked

Work closely with Teams on the basics of sales dialogue

(It is lacking on almost all teams)

Lead Conversion

Coach the Team Leader to track the following:

Cost per lead (each source)

Conversion rate (each source/each member)

Profitability of each Lead Generation Vehicle

Stress the importance of the difference between “leads” and humans

The mantra should be:

“Good money chasing good business, *and all money is good money!*”

Profitability

Work with your team leaders on Models BEFORE they actually begin building a team. Make sure the model works on paper. If the team is already in place, do an in depth analysis of the team!

Just as commission structures in an office must work for both the broker and the agent, team models must work for ALL Team Members!

Team leader target profit should be 1.5X spend, NOT COUNTING their personal sales. Many teams are not profitable if the Team Leaders production is backed out. (Like many small real estate offices)

Profitability

Teams must understand that the cost of running a team is sometimes 2-3 times the cost of running a brokerage of the same size.

The largest cost for a team in today's environment is lead generation, (Zillow, CINC, BoomTown, etc) even though a deeper dive into the numbers will most likely reveal 75%+ of the business is coming from repeat and referral business, GENERATED by the team leader!

Challenge the Team Leader to establish a vibrant past client list BEFORE purchasing new business!"

Reinforce a NET INCOME/NET TIME standard for the Team Leader

The bottom line...

Team Leaders should never leave the walls of your brokerage to find assistance unless you direct them there.

Be their coach!

Work to understand the issues of teams, sharpen your skill set and help teams to be successful, and your brokerage will thrive well into the future!!!!

Thank You!!

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