



Completing Your PA Licensing Application

Criminal Background Check completed by the State Police of every state where the applicant has resided in the five years immediately preceding the date of this application. All background checks must be dated within 90 days of the date this application is received in the Commission office.

- If you reside in Pennsylvania, background check may be obtained online at: <https://epatch.state.pa.us/>
- If you reside outside the state of Pennsylvania, you must obtain a background check from the State Police in that state.
- The background check must contain the Applicant's date of birth and social security number.
- The background check must either state "No Record" or "Record Exists." Background checks that reflect "Pending" "Under Review," or "Under Request" cannot be submitted. Questions regarding the status of a background check must be directed to the State Police.
- If "Record Exists"—submit originals of the following for EACH conviction:
 - The conviction summary information provided by the State Police; ◦ Certified copies of ALL court documents;
 - Letter from the probation office, dated within 90 days, indicating current probationary status/completion date; ◦ Employment History (resume);
 - Detailed description (in applicant's words) of the circumstances surrounding the conviction, the basis for the conviction and the disposition of the conviction;
 - A signed and dated reference letter from the employing broker, on the company's letterhead, indicating that the broker is aware of all conviction(s) and is willing to hire the applicant;
 - Two signed and dated character references from individuals who are not related to or residing with the applicant.

Instructions for Completing the PA Salesperson License Application

- Go to <https://www.pals.pa.gov/#/page/default>
- Click Register
- Sign up for your PALS account
- Once signed up you will scroll down the page until you see **New Professional License**, Click **Apply for New License**
- You will then be taken to a drop box **Board/Commission**. Click drop down to **State Real Estate Commission**
- Next drop box is **License Type**. Click on **Real Estate Salesperson/STANDARD**
- You will be asked for the License number of our brokerage. It is **RB068448** this will auto fill the **brokerage information**

- You will click on **Pennsylvania/already have one** for the state. This indicates to the commission that you have already gotten your PA background check and DO NOT need to get one through the commission.
- You will need to upload your transcripts, test scores and background check

*****At this point you will need to email Mackenzie that you have completed your application and uploaded everything*****

- Once completed the broker will sign his name for the approval. The broker will sign your application after you have completed all your on-boarding paperwork and all the fees.
- Then you can pay the \$107 licensing fee online
- You can wait for online approval (processing time can take several weeks). If you're waiting for online approval we suggest calling the state commission to see what their current turn around time is OR you can drive to the state commission with copies of your licensing paperwork. They will license you same day. Please CALL the commission before driving to confirm they're accepting walk-ins that day.

Should you have any questions regarding the online process you may call the commission at 717-783-3658



Licensing Fees

Please have the following required licensing fees prepared at the time of your appointment. Franchise brokerages require these memberships to be an active agent. The total amount you'll need to become licensed is listed below depending on which month you become licensed.

State Commission Licensing Fee – This fee is required to process your license application with the state commission.

GPAR - Greater Philadelphia Association of Realtors is your local Realtor Association. This membership is what allows you to market yourself as a Realtor. GPAR provides education and ongoing support to its local agents. This is billed one time annually (for \$585) at the beginning of the year. The prorations below include the \$160 start up fee.

Bright MLS - Your MLS account gives you access to all of the listings posted by agents in your area. This includes past solds, public record, and additional data tools you'll need to sell real estate. This is billed quarterly (for \$105). The prorations below include the \$250 start up fee.

KW Start Up - This fee covers your account generation & start up costs.

KW Monthly Fees - If you're licensed prior to the 10th of the month you will be billed for monthly dues at \$100. If you join after the 10th you will start billing the following month on the 10th. These monthly dues cover items like your Errors & Omissions Insurance, KW.com account/Website, Tech Support fee.

Below is an outline of required fees that you can expect upon becoming licensed. These fees are outlined based on which month you join :

	State Commission New License Fee	GPAR	Bright MLS	KW Start Up	KW Security Deposit	Total - if you start after the 10th of the month	Total - if you start before the 10th of the month
Jan	\$107	\$745	\$355	\$175	\$300.00	\$1,672	\$1,772
Feb	\$107	\$699.17	\$355	\$175	\$300.00	\$1,626	\$1,726
Mar	\$107	\$653.30	\$355	\$175	\$300.00	\$1,580	\$1,680
Apr	\$107	\$607.47	\$355	\$175	\$300.00	\$1,534	\$1,634
May	\$107	\$561.64	\$355	\$175	\$300.00	\$1,489	\$1,589
June	\$107	\$515.81	\$355	\$175	\$300.00	\$1,443	\$1,543
July	\$107	\$469.98	\$355	\$175	\$300.00	\$1,397	\$1,497
Aug	\$107	\$424.15	\$355	\$175	\$300.00	\$1,351	\$1,451
Sept	\$107	\$378.32	\$355	\$175	\$300.00	\$1,305	\$1,405
Oct	\$107	\$332.49	\$355	\$175	\$300.00	\$1,259	\$1,359
Nov	\$107	\$286.66	\$355	\$175	\$300.00	\$1,214	\$1,314
Dec	\$107	\$240.83	\$355	\$175	\$300.00	\$1,168	\$1,268
Ongoing Fee Structure	GPAR - Billed annually every January		Bright - Billed quarterly from the time that you start		KW Monthly Fees - Billed monthly on the 10th of every month		Total Annual
	\$585			\$420		\$1,200	\$2,205



Training & Performance Agreement

Our mission at KW Philly is to provide a highly consultative, highly engaged educational environment to make our agents the most successful and most productive agents in the business therefore earning the highest average income in the industry. In 2018, KW Philly represented the office in Philadelphia having sold the most units out of any other top competing brokerage. In an effort to reinforce your success, below is the expectation of all agents joining our company that are closing less than \$1 million in the previous 12 months:

1. Attend KW Philly Orientation & Complete Jumpstart
2. Complete IGNITE
3. Attend at least 3 classes a month
4. Host at least 2 open houses a month
5. Participate in the ProCoaching Program

Agent

Productivity Coach

Team Leader



Licensing Fees

Please have the following required licensing fees prepared at the time of your appointment. The total amount you'll need to become licensed is listed below depending on which month you become licensed.

State Commission Licensing Fee – This fee is required to process your transfer license application with the state commission.

KW Start Up - This fee covers your account generation & start up costs.

KW Security Deposit - These fees are collected to hold as a security deposit for monthly dues. This fee will be refunded to all agents should they leave the brokerage, as long as their monthly dues are paid and up to date.

KW Monthly Fees - If you're licensed prior to the 10th of the month you will be billed for monthly dues at \$100. If you join after the 10th you will start billing the following month on the 10th. These monthly dues cover items like your Errors & Omissions Insurance, KW.com account/Website, Tech Support fee.

Below is an outline of required fees that you can expect upon becoming licensed. These fees are outlined based on which month you join :

State Commission New License Fee	KW Start Up	KW Security Deposit	Total - if you start after the 10th of the month	Total - if you start before the 10th of the month
\$20	\$175	\$300.00	\$495	\$595

As a local agent you should already have the following accounts. These will be transferred in your name under KW Philly. If you are not already a member of either of these please let your Director of Agent Services know as soon as possible so you can be provided the appropriate applications & review any fees.

GPAR - Greater Philadelphia Association of Realtors is your local Realtor Association. This membership is what allows you to market yourself as a Realtor. GPAR provides education and ongoing support to its local agents. This is billed one time annually (for \$555) at the beginning of the year. The prorations below include the \$160 start up fee. As a licensed agent you should already have a membership with a Realtor association. Please discuss this with the Director of Agent Services if you are not yet a member of a Realtor association.

Trend - Your MLS account gives you access to all of the listings posted by agents in your area. This includes past solds, public record, and additional data tools you'll need to sell real estate. This is billed quarterly (for \$105). The prorations below include the \$250 start up fee. As a licensed agent you should already have a membership with Trend MLS. Please discuss this with the Director of Agent Services if you are not yet a member of the Trend MLS.

YOU NEED SUPPORT? WE'VE GOT YOU COVERED!

KW Philly offers over 17 different levels of hands-on support for your business!

ONBOARDING

- Step-by-step guidance from our Director of Agent Services
- Introductions to our staff, teams and agents
- Pro Coaching and mentors
- Staff Support

7 LEVELS OF TRAINING

- OnBoarding
- Ignite
- 30+ Classes
- Pro Coaching
- Masterminds
- BOLD
- MAPS Coaching

ACCOUNTABILITY AND GUIDANCE

- Agent Services
- Accessible Team Leaders
- Market Center Financial Guidance
- Hands-On Assistance From Our and Conveyancers
- Learn From the Top Teams in Philly Real Estate!
- KW Philly is Home to the Top 3 Real Estate Teams in the City!

Come see why we are #1 in Philly for support and results!

kw PHILLY
KELLERWILLIAMS®



HERE TO HELP YOU AND YOUR BUSINESS

MEET YOUR SUPPORT SYSTEM

Noah Ostroff | Operating Principal | noah@kw.com - Noah is the visionary behind the brokerage and oversees all related brokerage affairs. He also owns and operates our Philly Living team.

Jeremy Bowers | Team Leader | jeremycbowers@kw.com - Jeremy leads the agents in the Market Center, oversees all internal and external affairs, and is in charge of recruiting, retention, and day-to-day management. He has managed over \$3 billion in business.

Jesse Barnes | Assistant Team Leader | jessebarnes@kw.com - Jesse works side by side with our Team Leader to assist the agents in the Market Center and is also in charge of recruiting, retention, and day-to-day management.

Mari Svoboda | MCA | klrw1029@kw.com - Mari is our chief financial officer. She handles all office finances, manages transaction processing, and oversees all office related affairs.

Heather Svoboda | Assistant MCA | heathersvoboda@kw.com - Heather works side by side with Mari in the Finance Department. She is responsible for escrow, commission, office accounting and management.

Katie Shelburn | Director of Operations | katieshelburn@kw.com - Katie knows the ins and outs of KW Culture. She adds another level of support and oversees our staff in order to keep our Market Center running at its highest capacity.

Mackenzie Carroll | Director of Agent Services | kenz@kw.com - Mackenzie works with all incoming agents to get them licensed and oriented into the Market Center. She is responsible for agents' satisfaction and oversees office meetings, the training calendar, events and social media.

Jason Conner | Productivity Coach | jason.conner@kw.com - Jason trains, mentors and coaches new agents through their first year in the industry as the official productivity coach at KW Philly.

Robin Karpovich | Director of First Impressions 728 | frontdesk1029@kw.com - Robin operates the front desk at 728 S. Broad St. She coordinates all incoming and outgoing phone calls and mail. She is also responsible for the conference room scheduling, office operations, and technology concerns.

Sarah Lombardo | Director of First Impressions 2401 | slombardo@kw.com - Sarah operates the front desk at 2401 Walnut. She coordinates all incoming and outgoing phone calls and mail. She is also responsible for the conference room scheduling, office operations, marketing, compliance, and technology concerns.



Why Productivity Coaching?

In an effort to support you and your real estate career, Keller Williams Philly is offering The Productivity Coaching Program for all agents wishing to take their business to the maximum level of productivity possible. Your Productivity Coach will guide you through the many facets of a real estate transaction and coach you in developing the skills you need in order to be successful. You must enroll in the PC Program if you are a new single agent who has closed less than \$1,000,000 in production.

The goal of this program is to assist you in your personal and professional growth through increased production achieved by following the systems and models taught by Keller Williams - at a high level of accountability.

Program Structure:

Initial Coaching Intake Appointment:

Approximately 30 minute one-on-one Needs Analysis at the KW Philly Primary Office. Productivity Coach and client will discuss goals, the BIG why, and create a plan of action to begin creating a purposeful schedule.

Small Group Coaching:

Approximately 1 hour at KW Philly Primary Office every week, except for conflicting events such as Team Meeting, Mega Camp, BOLD, specific market center/city wide training events, etc. Groups will consist of 6-10 people of similar production/experience levels. 30-60-90 Training Program Guidelines.

One-on-One Coaching:

Reserved for individuals who have met the following:

1. Closed volume meets or exceeds \$2,000,000.00.
2. Individual has participated in group coaching for a minimum of 90 days.
3. Individual has participated in supplemental training opportunities including power hour, script practice, group lead gen, and have had an accountability partner.

This program includes one-on-one coaching and consulting for 30 minute weekly sessions.

Compensation Structure/Contract Terms:

In general, a new PC Client enters the program for 1 year, and pays 15% of gross GCI on the first 3 deals, and then 10% on every deal thereafter (for the 1 year duration of the program).

For a detailed PC Agreement and further information, please fill out the PC Intake form and an intake appointment will be scheduled with you.

kw Home KW Results Training Culture Office Tours Freebies Upcoming Events Technology Social Media Contact

SuperBowers.com | SuperBowers.com/NewAgent

PhillyRealEstateCoach.com

IGNITE CLASSES

MONTHLY AT KW PHILLY

IGNITE YOUR BUSINESS

BUILD YOUR BUSINESS

FIND YOUR BUSINESS

WIN THE SELLER

PRICE TO SELL

SELL YOUR LISTING

FIND AND WIN THE BUYER

FIND AND SHOW HOMES

MAKE AND RECEIVE OFFERS

NEGOTIATE THE DEAL

CLOSE THE DEAL

BLAST OFF!

kw PHILLY
KELLERWILLIAMS.[®]



KW PHILLY TRAINING = RESULTS

#1 in Sales in Philadelphia

1

On Boarding Program

Orientation
Thursdays
9am

Jump Start
Thursdays
9:45am

2

30-45 Classes

Online Training Options

3

IGNITE Training

0-16 Deals

4

Pro Coaching

Group Coaching

5

BOLD Training

6

Group Mastermind

7

Maps Coaching

www.phillyrealestatecoach.com



Questions We Recommend You Should Ask Brokerages

Training-

1. What do you have set as training?
2. Can I see your training program?
3. Can I test drive your training program?
4. Can I talk to others that have been through it?
5. What are the results?
6. Who teaches the classes? Retired sales agents or active sales agents?
7. Do you offer any online training?
8. Do you have mastermind classes? What is the feedback?
9. Can I see this month's classes?

Side note- All brokerages will tell you they have a training program, make sure you ask them to provide a training calendar or training program information

Money-

1. What is the split?
2. Is there a franchise fee?
3. Is there a cap for company commission?
4. Is there a cap for franchise fees?
5. Are there miscellaneous fees? What are they?
6. What type of cost savings are there for me at the brokerage?
7. What does the average new agent make?
8. What do your experienced agents make on average?
9. How many rookie or new agents have you impacted? How? In what way?
10. How do I get paid once I join?
11. Is anyone incentivized to make sure I do well?

Side note- 3 million your first year is good which is 90,000 in gross commission. An experienced agent doing well should be selling at least 10 million.

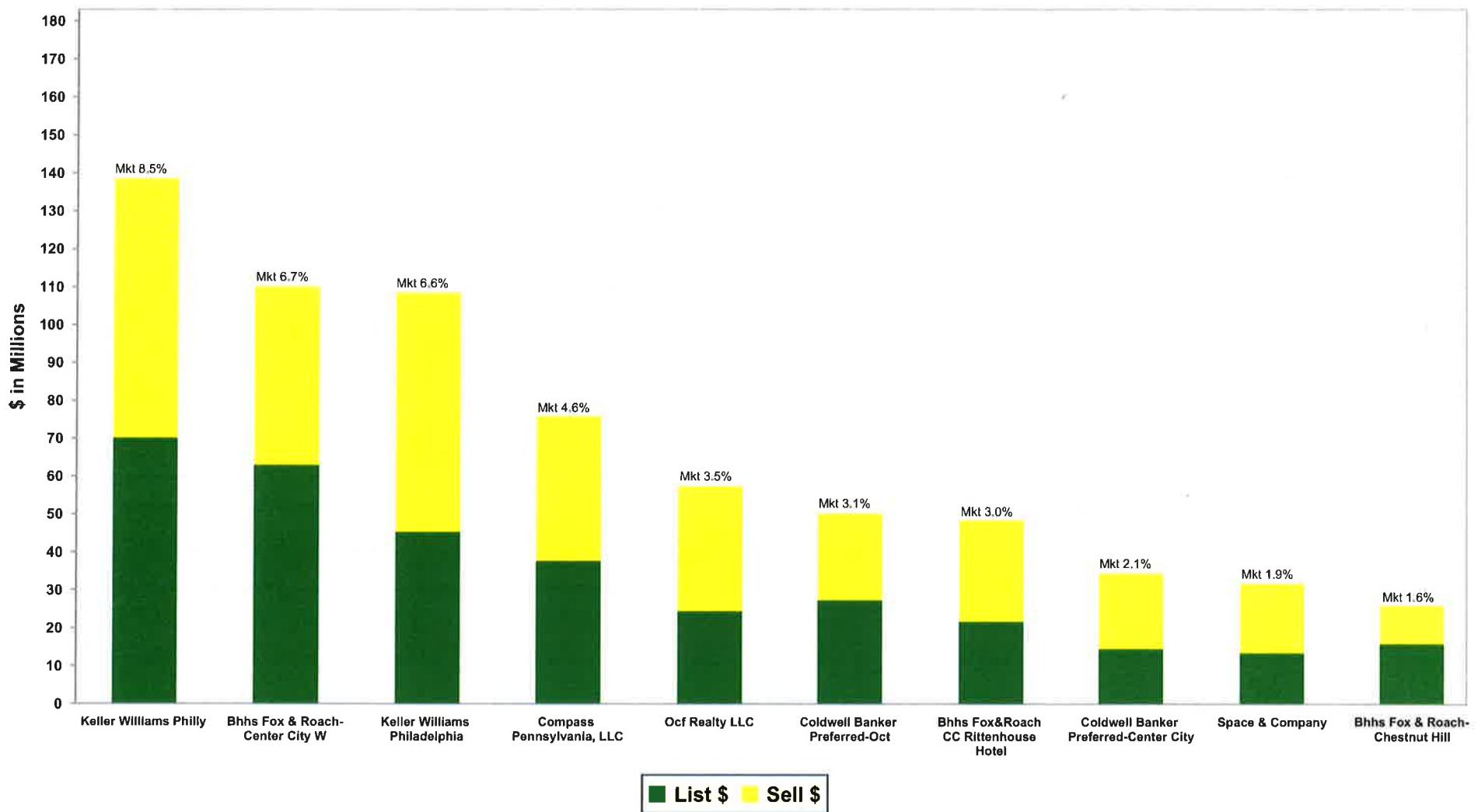
Support/Culture-

1. What is your support system like? How and when will I be supported in my business?
2. Profit share- Is there a profit share system?
3. Do you have an agent board of directors making decisions for the office? Who makes the decisions?
4. What social events do you have?
5. How do agents interact with each other when they need things?

Market Share Totals

Keller Williams Philly

Total \$ Volume (By Office)



MLS: BRIGHTMLS Date: 01/01/2019 - 04/02/2019 Type: Office Status: Total Sold List + Sell Price: All
 Construction Type: All Bedrooms: All Bathrooms: All
 Property Types: Residential: (Detached, Row/Townhouse, Condominium, Unit/Flat, End of Row/Townhouse, Twin/Semi-Detached, Other, Manufactured, Penthouse Unit/Flat, Mobile Pre 1976, Garage/Parking Space),...
 Counties: Philadelphia

Market Share Totals

Keller Williams Philly

Total \$ Volume

#	Name	ZIP	List #	List \$	Sell #	Sell \$	Total #	Total \$	Market Share %	Avg Price	Prod Agents (Total)	Prod Agents (Search)
1	Keller Williams Philly	19146	221.0	70,151,509	228.0	68,485,707	449.0	138,637,216	8.5	308,769	70	220
2	Bhhs Fox & Roach-Center City W	19106	150.0	63,001,442	121.0	47,145,186	271.0	110,146,628	6.7	406,445	72	153
3	Keller Williams Philadelphia	19103	132.0	45,349,914	198.0	63,172,191	330.0	108,522,105	6.6	328,855	65	232
4	Compass Pennsylvania, LLC	19103	80.5	37,717,107	90.0	38,225,366	170.5	75,942,473	4.6	445,410	71	181
5	Ocf Realty LLC	19146	22.0	24,502,500	37.0	32,959,200	59.0	57,461,700	3.5	973,927	53	22
6	Coldwell Banker Preferred-Oct	19106	90.0	27,373,880	67.0	22,896,766	157.0	50,270,646	3.1	320,195	75	68
7	Bhhs Fox&Roach CC Rittenhouse	19103	33.0	21,727,190	49.0	26,726,000	82.0	48,453,190	3.0	590,893	81	77
8	Coldwell Banker Preferred-Center City	19102	42.0	14,565,300	38.0	20,025,900	80.0	34,591,200	2.1	432,390	77	61
9	Space & Company	19103	35.0	13,480,650	51.0	18,352,300	86.0	31,832,950	1.9	370,151	55	70
10	Bhhs Fox & Roach-Chestnut Hill	19118	35.0	15,908,463	28.0	10,220,303	63.0	26,128,766	1.6	414,742	61	72
Subtotals/Averages			841.0	333,777,955	907.0	348,208,919	1,748.0	681,986,874	41.7	390,264	69	1,156
MLS Totals/Averages			3,060.0	818,129,006	3,060.0	818,129,006	6,120.0	1,636,258,012	100.0	267,800	63	13,064

WHY KW PHILLY?

Financial Benefits

Earn 100% : Cap at \$25,000 to the market center and earn 100% commission for the rest of your anniversary year.

Growth Through Passive Income : Our office has shared \$303,926 in profit with agents that have helped to grow KW since our grand opening in 2016. Grow your profit share downline by recruiting agents to any Keller Williams in the nation & earn profit share from their production.

Investment Properties : Learn from a large pool of our agents that have grown their investment portfolios with the help of KW Philly.

Build a Team : Our models support a team structure, unlike many franchise brokerages. We have the financial structure, resources, and training in place to help you grow a team if you so choose.

Education, Training & Tech

We've been named the #1 training organization in the world by *Training* magazine.

Home Grown Training Calendar : We offer over 30 classes a month ranging in content from beginner to decades in the business. Learn from the best in our market center & from KW's proven educational models.

Masterminds : Meet power players in our region and all over the country at regularly held masterminds.

Family Reunion : Prepares you for mastering the current market and what's coming next with more than 200 breakout sessions taught by the best in the business.

Mega Camp : Professionals from across the globe gather for top-agent interviews, guest speakers, live role-plays, and powerful panels.

One on One Coaching : MAPS offers one on one personal coaching sessions with trained top producers from all over the country.

Group Coaching : MAPS & our office both offer group coaching options to learn in a more collaborative joint environment.

Cutting Edge Technology : KW prides itself on being a tech company. In the past year alone, they've poured massive investments into determining and perfecting the most critical technology to it's agents. At KW Philly you'll have access to many technological resources including...

- Contact Database
- Task Management System
- Google Email Platform
- Personal Website
- Personal App
- Customizable Marketing Platform

Support

Collaborative Approach : Our agents, teams, and staff are willing to help. We create and encourage a collaborative environment within the office in order to exchange newest and proven ideas and techniques.

Conveyancing : In House conveyancers available to coordinate your transactions smoothly to the settlement table

Experienced Staff : Our staff is experienced in their respective fields and work diligently to keep our office running at an optimum level.

Seasoned Leadership : Our leaders are knowledgeable in multiple different areas of real estate growth. They're here to help launch your business or team to the next level through the resources we offer at KW Philly.

Culture

Your Brand First : Clients choose YOU. Each individual is encouraged to create and grow their own brand. Because we believe this, we offer exclusive training, marketing suites, productivity tools, and live events to help empower your personal brand.

Our Many Divisions : In addition to residential real estate we offer specific service and opportunities in our divisions for Global Specialists, Farm & Ranch, Luxury, and Commercial industries.

We put the agents at the center of strategic decisions made by the company through our Associate Leadership Council.

KW Cares & Wellness : We raise money to support our agents in need through our in house events. We also offer a variety of wellness activities to provide a more healthy environment for our agents.

Associate Leadership Council: Our associate leadership council is a group of our own agents that come together to represent agent interests in the market center. They equate to the agent body voice.



Earn 100% Commission

How It Works:

Every real estate company has its own commission structure with it's agents. In most traditional real estate companies, the more you earn the more you pay.

At KW we believe the more you earn the more you deserve. So, we cap our commissions, which means after you've paid \$25,000 the market center & \$3,000 to KW International from your commissions you will then earn 100% commission for the remainder of your anniversary year.

The Keller Williams agent is on a 64/30/6% split

64% goes to the Agent

30% goes to the Market Center (capped at \$25,000)

6% goes to KW International (capped at \$3,000)

Every transaction you close is subject to a 30% split to the brokerage up to \$25,000.

This money helps to keep our office staffed, operating smoothly, and providing additional service to you and your business in the form of education, technology, and growth opportunities so that you can close more business.

After you've reached \$25,000 worth of a com

pany dollar, you will pay 0% to the brokerage for the remainder of your calendar year.

Every transaction you close is subject to a 6% split to KW International up to \$3,000.

This money helps to keep KW progressing as a company so that it can continue to provide updated education, technology, and resources to help you grow your business.

After you've reached \$3,000 in royalty, you will pay 0% to KW International for the remainder of your anniversary year.

We want you to cap:

A real estate company's commission structure is only as good as their offered training programs. As a successful agent, we believe that you should have access to and be learning from the best, which is why we offer a plethora of training. If you don't reach your cap, you owe the brokerage nothing! Our goal is to put you in a position to exceed your cap and take full advantage of our model.

Examples:

\$200,000 gross commission
\$25,000 to KW Philly
\$3,000 to KWRI
Net = \$172,000

(Around 23 \$300,000 homes sold at standard commission (3%)... that's less than 2 a month)

\$100,000 gross commission
\$25,000 to KW Philly
\$3,000 to KWRI
Net = \$72,000

(Around 12 \$300,000 homes sold at standard commission (3%)...that's 1 house a month)

\$300,000 gross commission
\$25,000 to KW Philly
\$3,000 to KWRI
Net = \$72,000

(Around 34 \$300,000 homes sold at standard commission (3%)...that's 3 houses a month)



KW : ASK THE PEOPLE

2018

Glassdoor

John Davis ranked #30 on the list of Top CEOs in 2018

Inman Connect

Kelle Wins 2018 Inman Innovator Award for Most Innovative Real Estate Technology

CareerBliss

#1 Happiest Company to Work For in America

Inc Magazine

Best Workplace for 2018

Indeed

Keller Williams Ranked #1 Among Workplaces Across Austin and 11 Other Cities

Forbes

#6 of 300 Companies on the List of Best Employers for Women

Training Magazine

Keller Williams Inducted Into the Top 10 Hall of Fame

Swanepoel Mega 1000

#1 on Top Residential Real Estate Franchisors List

REAL Trends

78 Keller Williams real estate agent teams featured on "The Thousand" ranking list.

2017

Training Magazine

#1 training organization across all industries

REAL Trends 500

Keller Williams had more offices (161) represented on top real estate brokerages list than any other franchise

REAL Trends/ Wall Street Journal "The Thousand"

Keller Williams had more agent teams ranked by closed transactions and sales volume than any other franchise

RIS Media Power Broker Report

Keller Williams ranked #1 Power Broker by Brand - home to 32 percent of top brokers

REALTOR Magazine

Keller Williams home to industry-leading five 30 Under 30 winners

Swanepoel Power 200

Eight representatives on list of most powerful people in residential real estate, including Gary Keller, John Davis, and Mary Tennant

Inman Real Estate Influencers of 2017

Seven representatives on list of industry influencers, including Chief Innovation Officer Josh Team

National Association of Hispanic Real Estate Professionals 250

Keller Williams is home to 37 agents on NAHREP's list of top-producing Latino agents including 7 of the Top 10

Forbes

#3 on list of Happiest Companies to Work for in 2017

Entrepreneur Magazine

Top Company Cultures

Entrepreneur Magazine

Moved up 63 spots on Franchise 500 list of top franchises

Franchise Business Review

Top-rated real estate franchise based on franchisee satisfaction

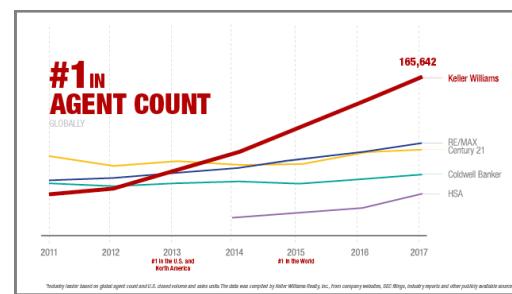
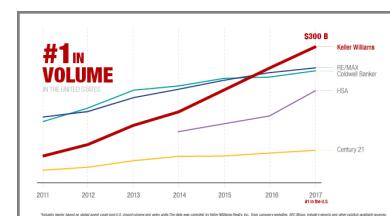
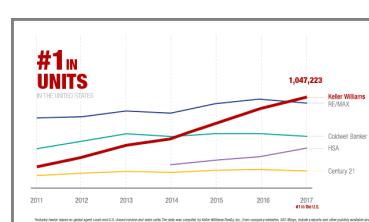
Franchise Business Review

One of the Top 50 Franchises for Women

Franchise Times

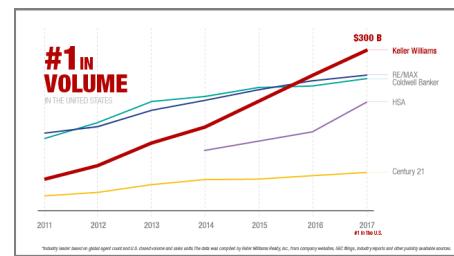
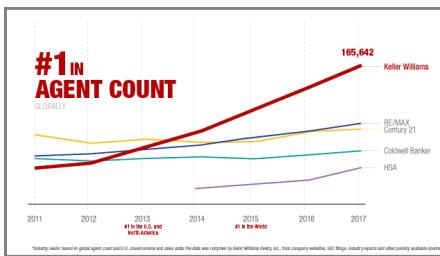
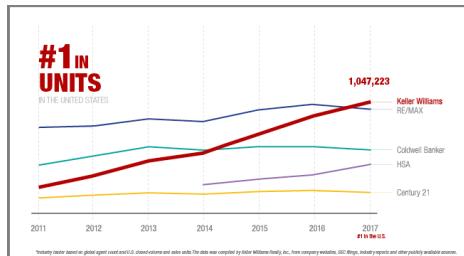
Only real estate company on "Fast & Serious" list of 40 smartest-growing brands

Our awards and recognition dates back to the birth of the company, to see more visit : <https://www.kw.com/kw/awards.html>



KW Philly has sold more units than any other brokerage in Philadelphia since it's opening

Our agents average 94.7% of the list price when their listing sells



Why buy or sell with KW?

Technology

Leading-edge tech tools and training give us the advantage in effectively finding the perfect home for you or selling your home faster at the right price! Keller Williams raises the bar in its commitment to providing the foremost resources agents need to elevate their businesses in order to better service their clients.

Teamwork

The Keller Williams business model was designed to reward agents for working together. Based on the belief that we are all more successful if we strive toward a common goal rather than our individual interests, we're confident that every Keller Williams professional shares the vision of serving our clients at the very highest level possible. When agents and teams succeed, they attract other talented professionals, which helps the company grow and improves each team member's overall success

Knowledge

We stay ahead of trends in the real estate industry through our comprehensive, industry-leading training curriculum and research resources. It's what prepares our team to provide you with unparalleled service.

Reliability

Founded on the principles of trust and honesty, Keller Williams emphasizes the importance of having

the integrity to do the right thing, always putting your needs first. We firmly believe that our success is ultimately determined by the legacy we leave with each client we serve.

Track Record

We're proud to be affiliated with one of the largest real estate organizations in the world! The strong growth of

Keller Williams is proof that when you offer a superior level of service, word spreads fast.

Our agents are on a different level because they are constantly trained, coached, assisted, motivated and most of all APPRECIATED!

Keller Williams has surged past industry giants like RE/MAX, Coldwell Banker, and Berkshire Hathaway HomeServices to become the number one real estate franchise in agent count, closed units, and closed sales volume in the United States

kw PHILLY
KELLERWILLIAMS®

YOUR LOCAL EXPERT



JEREMY BOWERS
jeremycbowers@kw.com
215-370-9107

Phillykw.com



When selling your property, you want to work with a real estate professional backed by a team that knows the local market, inside and out.

Trust is an important aspect of any real estate transaction. You need to feel confident that your agent is committed to selling your property quickly and for the best price possible.

These numbers reflect the trust that clients such as yourself have placed in our office and represent the reputation built by that trust.

THE PROOF IS IN THE NUMBERS

KW Philly
December 2018

96%

The value of KW Philly's closed listings grew 96% more than the market.

34%

We outpaced the market by 34% in listings sold.

21%

KW Philly grew 21% faster than the market in total closed sales volume.

24%

We outpaced the market by 24% in total units sold.

OUR MISSION:

TO BUILD
CAREERS WORTH HAVING,
BUSINESSES WORTH OWNING,
LIVES WORTH LIVING.



OUR BELIEF SYSTEM



WI4C2TS

WIN-WIN or no deal

INTEGRITY do the right thing

CUSTOMERS always come first

COMMITMENT in all things

COMMUNICATION seek first to understand

CREATIVITY ideas before results

TEAMWORK together everyone achieves more

TRUST starts with honesty

SUCCESS results through people



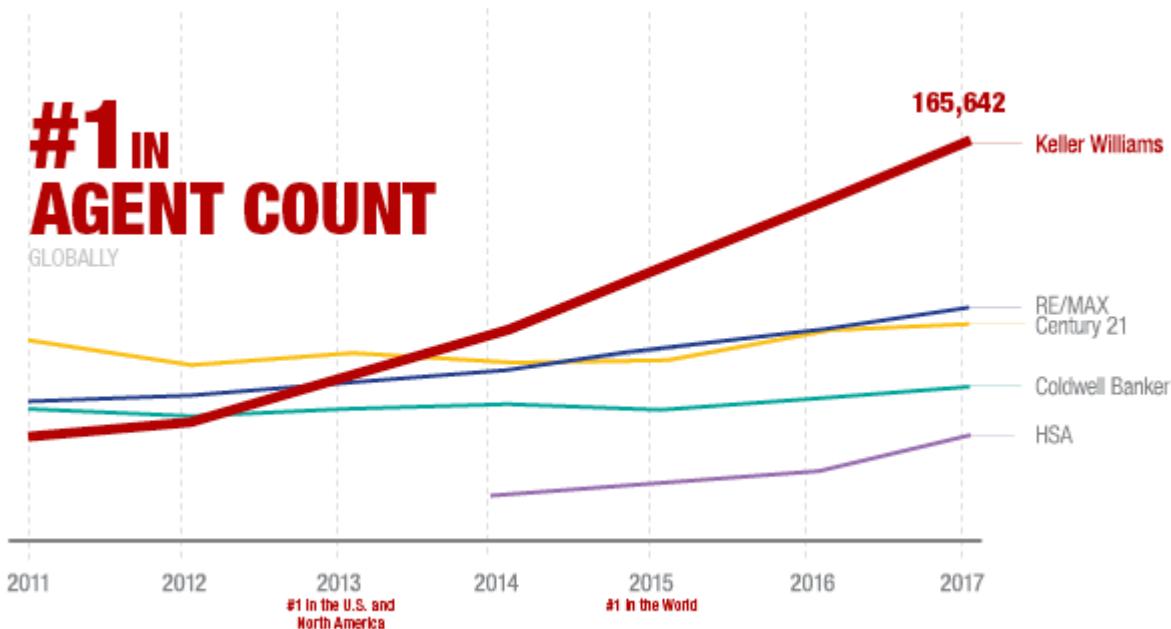
MENU

KELLER WILLIAMS REIGNS AS NO. 1 REAL ESTATE FRANCHISE IN THE U.S.

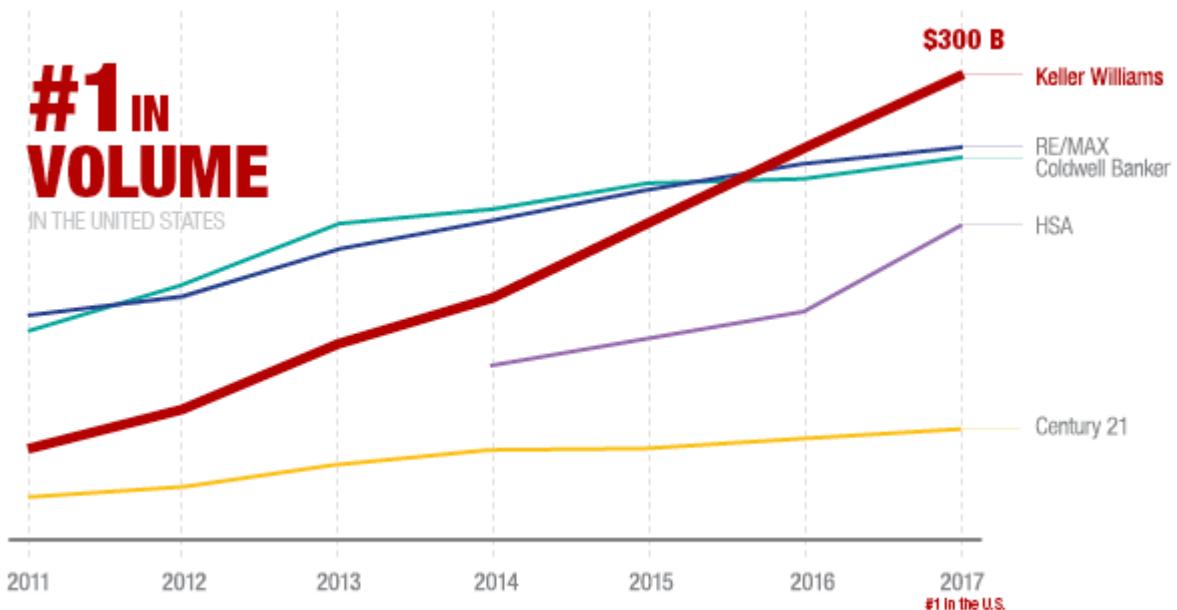
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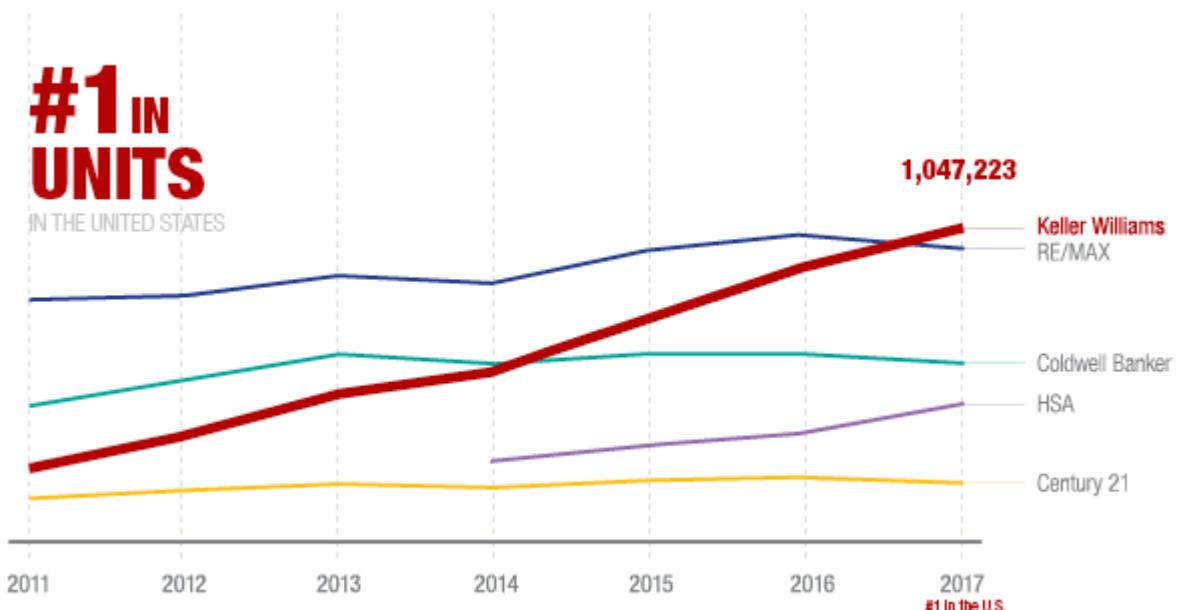
In one of the most stunning David and Goliath stories in real estate history, Keller Williams has surged past industry giants like RE/MAX, Coldwell Banker, and Berkshire Hathaway HomeServices to become the number one real estate franchise in agent count, closed units, and closed sales volume in the United States*. In 2017, the company's 155,000 U.S. agents closed more than 1 million units, generating more than \$300 billion in sales revenue.



*Industry leader based on global agent count and U.S. closed volume and sales units. The data was compiled by Keller Williams Realty, Inc., from company websites, SEC filings, industry reports and other publicly available sources.



*Industry leader based on global agent count and U.S. closed volume and sales units. The data was compiled by Keller Williams Realty, Inc., from company websites, SEC filings, industry reports and other publicly available sources.



*Industry leader based on global agent count and U.S. closed volume and sales units. The data was compiled by Keller Williams Realty, Inc., from company websites, SEC filings, industry reports and other publicly available sources.

This achievement in growth and volume is driven by the commitment and excellence of Keller Williams' agents and is among many the company has enjoyed.

Keller Williams had [89 agent teams on REAL Trends' 2017 "The Thousand"](#) – an annual list of North America's most successful real estate professionals by transaction sides. This was more than any other franchise.

KW also had the [most market centers](#) – 161 – on the REAL Trends 500 list of top brokerages.

On RISMedia's 29th Annual Power Broker Report, Keller Williams represented an industry-leading 32 percent of the top 1,000 brokerages surveyed in 2017, up from 29 percent of the list the previous year. The report ranks residential real estate brokerage firms according to annual closed transactions and sales volume.

While each achievement is notable, the real story of Keller Williams' success begins several decades earlier.

The Beginning

Founded in 1983 in Austin, Texas, the company had a total of 32 agents that year who closed \$28 million in volume. Keller Williams' first agent, Gary Gentry, wrote the first offer – for \$55,000. After an auspicious start, the young company was soon reeling from the loss of seven of its top 10 producers to a competitor and was struggling in a tough Texas economy.

"It was a difficult time," Gentry reflects. "But in retrospect it was a godsend, because if you learn how to survive and thrive in hard times, then when things change, you are going to do exceptionally well and you've been hardened and strengthened through the process. With the kind of training support that Gary [Keller] and Joe [Williams] gave us, we were constantly learning how to adapt to a different market. On a daily basis, we would discuss what the market was doing and what we needed to do to grow our businesses. A lot of our policy and culture was developed during this time."

In 1986, Keller convened the first Associate Leadership Council (ALC) to reinvent Keller Williams from a traditional real estate company into one that would disrupt the industry. He shared his vision to create a new type of real estate company, where a world-class culture focused on the prosperity and well-being of its people would become an environment no agent or team ever wanted or needed to leave.

The ALC's subsequent sessions were the basis of the company's core belief system, the WI4C2TS. They also developed the profit share program, which treats associates who help the company grow as true business partners.

While the company didn't initially benefit from much name recognition or a national presence, Keller knew that by focusing on how the company could attract and retain top industry talent, everything would eventually fall into place.

Keller and his colleagues were so focused on helping agents succeed, that in 2002 they brought a team of mega agents together for a mastermind session and raised the question, "What would it take to net a million dollars in personal income?" The brainstorming session





catalyst for the company's growth.

By 2006, through the leadership of executives like Mo Anderson and Mary Tennant, Keller Williams was the fifth-largest real estate franchise in the United States. Even during the Great Recession, profits grew as agents dug into their businesses and databases. By 2009, the company had moved past Prudential and RE/MAX to become third largest. In 2011, Keller Williams surpassed Century 21 as the number 2 real estate franchise in the country.

Within striking distance of taking the top spot, Keller Williams faced a critical transition. That year, the company's agent count actually declined to roughly 75,000. Now that KW had matured into one of the most formidable sales forces in the industry, it was time to institute more formal systems, accountability, and leadership to ensure that the company's success was predictable and sustainable.

Success – Built From Within

As Keller and his leadership team examined their markets, they saw a unique trend emerge among the most successful teams. The strategy was simple: Hold powerful conversations with market center leadership centered on the core activities that would generate results. Through coaching, healthy business practices flourished at the local level and agent production grew. The system was formalized as the "Growth Initiative," and was soon implemented in other market centers and regions across the country with the model in hand. In 2011, the Growth Initiative went companywide, focusing all operating principals (OPs), team leaders (TLs), and market center administrators (MCAs) on the system's practices.

With healthy business practices being implemented at the local level, agent production grew. It proved to be just the system needed to rally leaders and agents alike – reigniting the company's success and attracting more agents by giving them the tools they needed to realize unprecedented production. Keller Williams became the number one real estate franchise in the United States by agent count the following year. In 2013, the company was the top real estate franchise by agent count in North America, and in 2014, more associates called Keller Williams home than any other real estate franchise in the world.

In July 2016, Keller Williams launched the [Career Growth Initiative \(CGI\)](#). Built on the success of the Growth Initiative, the CGI uses similar systems, models, and conversations to help

resulted in models that would later serve as the basis for Keller's first book, *The Millionaire Real Estate Agent*.

That book, which quickly became a national bestseller and today has sold more than 1 million copies, was the first of its kind to lay out economic, lead generation, budget and organizational models for, but not limited to, real estate agents. It gave Keller Williams a unique and powerful voice in the industry and became a

individuals invigorate their business and further boost production.

Prosperity, Shared



At the core of Keller Williams' success lies the commitment to shared prosperity – a priority forged more than 30 years ago in that first ALC meeting. Each month, market centers share roughly half of their profit with the team members who helped achieve those gains.

Maximizing profitability requires creating an environment where agents can build thriving businesses. To help them do so, Keller Williams is committed to delivering the best systems, training, marketing, and innovative technology solutions. When agents and teams succeed, they attract other talented professionals, which helps the company grow and improves each team member's overall success – and profit share.

Since the inception of the profit share program, Keller Williams has distributed more than \$1 billion to associates who have helped the company grow. In 2017, the company distributed more than \$174 million. In just the past four years, profit sharing has totaled more than in the preceding 21 years combined.

As more agents and teams have joined Keller Williams' ranks, the company has continued its climb, leading to its current position as the U.S. leader in agent count, closed units, and closed sales volume.

While this a milestone to be proud of, it is not the final destination for Keller Williams. It has simply positioned it for what's next in an industry that is rapidly changing.

KW Evolves to Tech



At the 2017 Family Reunion event in February, the next phase of Keller Williams' evolution was announced: a commitment to developing the real estate platform that buyers and sellers prefer. And, as a result of its growth and a strong vision cast by Keller, the company plans to invest \$1 billion in technology.

"World-class technology companies need to own their product vision, they can't rent it. We can't outsource our road map and vision because no one cares more about what you need to be successful than we do," says Josh Team, chief innovation officer. "Our observation is the number one challenge an agent faces is the number of independent, disconnected technologies." Agents may need to use as many as a dozen different software products and systems, according to the company's data.

With this investment, Keller Williams raises the bar in its commitment to providing the foremost resources agents need to elevate their businesses. This is crucial as companies pour billions of dollars into technology aimed at disintermediating the agent from the consumer. Yet, by its size alone, Keller Williams has the power of collective data and the magnitude to provide its agents with consumer insights no one can match. With this remarkable leverage, the company keeps agents at the center of the transaction, allowing them to build real estate businesses without limits or boundaries.

Download the #1KW Resource Toolkit

This is your moment! You've earned it. So, it's time seize it, celebrate it and enjoy it! To help you in telling this important story, we've designed a resource toolkit for connecting with your sphere, local media and others.

#1KW RESOURCE TOOLKIT

If you have any issues downloading your toolkit, email marketing@kw.com.

Written by: Gwen Moran

**Industry leader based on global agent count and U.S. closed volume and sales units. The data was compiled by Keller Williams Realty, Inc., from company websites, SEC filings, industry reports and other publicly available sources.*

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COMMENTS

Carol Kozlowski 1/29/2018, 4:49:59 PM

As always, when listening to Gary speak, I got a lot of good, sound tools for making forward progress in my life and therefore move forward with my business as well. No matter how that looks,-how long it takes, how much is accomplished this year-- moving forward by finding FOCUS is just so important as a foundation for success. I am looking forward to returning home and focusing on implementing my "one thing" to make a CHOICE to make a change in the way I conduct myself.

I tend to procrastinate on things that should be in my 20 %. That will change.

Thanks Gary for the words of wisdom and motivation.

Reply to Carol Kozlowski

Jessica Diaz 1/29/2018, 5:08:31 PM

So Proud to be a part of this incredible company!! What an accomplishment. Though I am nowhere close to being surprised.

Reply to *Jessica Diaz*

Susanne Horner 1/29/2018, 6:39:28 PM

#1

Reply to *Susanne Horner*

Jeff Spencer 1/29/2018, 8:27:40 PM

Great news

Reply to *Jeff Spencer*

Elaina Kats 1/29/2018, 9:28:44 PM

I want to say thank you so much for all of your support and guidance .

I feel perfectly at home with my Keller Williams family

I get the guidance and direction, yet I get to be myself and use all of my talents from my previous career as a creative director for a fashion house

I never felt more driven or excited about the opportunities that await me

Thank you Gary for all of your positive and uplifting ways to go about your everyday business and taking it to the next level and never stop learning and growing

I look forward to a long and prosperous partnership together

Thank you again,

Elaina Kats

Reply to *Elaina Kats*

Amy Carter 1/29/2018, 10:56:53 PM

Working on updating our team's Listing & Sales Packets! SO pumped! :)

Reply to *Amy Carter*

Anthony Lockhart 1/30/2018, 7:12:58 AM

Awesome! News. KW Market presence obvious now!

Reply to *Anthony Lockhart*

Jessica Cook 1/30/2018, 8:07:40 AM

The best real estate switch I ever made! The culture, education, and group of professionals I work with is amazing. A real estate company that embraces its agents, while encouraging us to secure our financial future. #KWstrong

Reply to *Jessica Cook*

Jackie Youngblood, PA 1/30/2018, 10:40:25 AM

How inspiring this young man is! I have experienced and learned along my 65 years that a simple smile can make someone's day. My passion in life is to make as many people as possible smile and to encourage them that they can be whoever and have whatever they desire. I have a deep passion to work with new agents and Realtors encouraging them

that they can build a real estate business and, as we say in BOLD, Have a Life By Design. I encourage you to Smile at someone today and see what happens.

Reply to *Jackie Youngblood, PA*

Jackie Youngblood, PA 1/31/2018, 10:51:15 AM

CONGRATULATIONS to my Keller Williams Family! Best real estate business decision I ever made was to join the Keller Williams Tampa Properties office. Many thanks to James Shaw, Kimberly Horn, Nikki and Gary Ubaldini, Howard Weinstein, Mark Olesh, Craig Zuber (MAPS Coach), and all of my KW Family for building a company that cares about our agents, clients, and who believe in giving back. KW has certainly enriched my business and my life.

Reply to *Jackie Youngblood, PA*

Dana Macalik 1/30/2018, 4:53:36 PM

New Team Leader (Less than 6months)

Reply to *Dana Macalik*

Joana Gonzalez 1/31/2018, 11:35:58 PM

So proud to be part of such an amazing KW family! We are #1!!!!

Reply to *Joana Gonzalez*

Linda Lear 2/2/2018, 9:19:39 AM

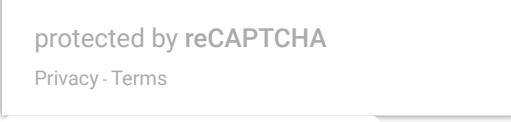
Congratulations Keller Williams! After 21 years as a REALTOR, joining the Keller Williams Cornerstone Realty Team in Ocala, FL was the best decision I made as a full-time professional. Keller Williams is a company that cares about their Agents both professionally and personally.

Reply to *Linda Lear*

Catherine VanMater 2/2/2018, 9:21:41 AM

This is a wonderful accomplishment. I plan to use much of the info from this announcement as part of my listing presentations. I am new to the Keller Williams family, and I am looking forward to our growth... together!!

Reply to *Catherine VanMater*



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Profit Share White Paper

Overview

The principle of success through others is the mainstay of the unique business culture within Keller Williams Realty. This tenet is the understanding that vast personal, professional, and financial achievements can be readily attained through collaborative business enterprises. From this understanding, the distinctive Profit Sharing compensation model—which gives nearly half of every Market Center's owner profit to the associates who helped grow the Market Center—was conceived, developed, and implemented with remarkable success.

History

In 1986, Gary Keller and the first Associate Leadership Council (ALC) convened to reinvent Keller Williams Realty. The young company, which was functioning as a traditional real estate company with traditional commission splits, had just lost seven of its top ten producers to a competitor. These agents didn't leave angrily; they were simply seeking better deals. Heeding the lesson, Gary turned to the ALC and began an extraordinary journey.

He proposed to the ALC that they work together to construct a company with a world-class environment and world-class people. He envisioned a company that agents could enjoy and prosper in throughout their career—and beyond. He asked the ALC, "How can we build a company that no one would ever want to or need to leave?" From the sessions that followed, this ALC constructed the WI4C2TS belief system, established higher commission splits, so that agents could make their own personal business spending decisions, and developed the Profit Sharing System, a revolutionary system that treats associates in the company as if they were partners in the business.

Top agent Gary Gentry was in those meetings as a member in the first ALC. He recalls, "We wanted to create something that had longevity. We wanted to attract and retain the best people."

He recalls the group studying and analyzing business models both inside and outside the real estate industry. One model that resonated with the group was Trammell Crow's. As one of America's most prominent real estate developers, Trammell Crow rewarded associates by treating them as partners. He gave them percentages of the profits for each deal they managed. In the book

*"In everything
that we do, we
honor our associates,
because we know
that it is through our
associates that our
company flourishes
and grows. The
Profit Share system is
no different."*

MARK WILLIS, CEO, KELLER WILLIAMS REALTY, INC.

Trammell Crow, Master Builder, author Robert Sobel explains that this system worked well for both Trammell and his partners. “If they succeeded, he would succeed. If they didn’t, he wouldn’t.”

Keeping the Trammell Crow system among others in mind as inspiration, Gary Keller and the ALC launched a revenue-sharing system in 1987. By 1989, the system had solidified into a Profit Sharing system.

Sharon Gibbons is now vice president of the Market Center Administrator (MCA) Division. Back in the late 80s, she was the first MCA. She recalls working through the Profit Sharing numbers with Gary and the ALC and realizing the immense potential of this system. She also recalls realizing the type of company they were building. “Think about owners giving back and investing in the people they work with,” she says. “When they take money out of their pocket and give it to the people they work with to stay in business with them, it says a lot about what they think about them.”

Top agent Althea Osborn was also in the first ALC. She recalls, “I knew Profit Share was the right thing to do because it put the agent and the broker into a partnership. We are not fighting over the same dollar. We are growing something together.”

Gary Todd was another member of the first ALC. He recalls, “In essence, it’s a really good example of the win-win. Back then real estate companies were folding. Gary had the same problem with overhead that everybody else had. In exchange for making business decisions that grew the company and saved the company money, he was offering to share the profit with us.”

Gary Keller knew that the Profit Sharing model was a bold statement and an opportunity for associates in the company to take on the mindset—and the opportunity—of ownership. He explains, “We created a program that would treat our real estate sales associates like legitimate partners in the business. We created a program that allows associates to build a business inside a real estate company that is as powerful as if they owned the company themselves.”

The Keller Williams Profit Sharing System

According to *Encyclopædia Britannica*, a wide range of businesses in a wide range of countries have used a variety of Profit Sharing arrangements since they first appeared in France in the first half of the nineteenth century. In the United States, companies as varied as Southwest Airlines to Verizon have Profit Sharing structures in place. In the real estate industry, other companies have income sharing structures in place, but no other company has a system based on a Market Center’s profits—and such a system would be difficult to maintain without the unique Keller Williams culture.

As Mary Tennant, president and COO, Keller Williams Realty, Inc., explained in the Stanford Graduate School of Business case study, HR-29, “We know for a fact that our systems don’t work without our culture. We need our culture to reach our full potential.”

In that same case study, Mo Anderson, VCOB, Keller Williams Realty, Inc., stated that culture was “the glue that holds it all together.” While Sharon Gibbons described the balance in the relationship by saying, “the systems are written for the culture and the culture exists for the systems.”

Marco Ottaviani is a professor of Management and Strategy at the Kellogg School of Management, Northwestern University. He is also a co-editor of the *B.E. Journal of Theoretical Economics*, and serves as member of the editorial board of the *Review of Economic Studies* and the *Journal of Prediction Markets*. He has taught the Keller Williams case study in his Strategy and Organization course and says that the case study is an opportunity to demonstrate to his students how a company might offer something different than what is being done in the industry. Of the Profit Share system specifically, he says, “This system would be hard for competitors to replicate. All of the other things that Keller Williams has—such as the open books policy, the ALC, and the culture—work together to complement the Profit Share system.” In his course, Professor Ottaviani also covers the effects of Profit Share. He points out that it can help to attract and retain good agents, while inducing a sense of ownership in associates.

In the Keller Williams Profit Sharing model, each month every Market Center splits its owner profit so that the owners who risked their investments enjoy roughly 52 percent of the profit and the associates who helped grow the company enjoy roughly 48 percent of the profit. In 2008, Keller Williams Market Centers distributed more than \$30 million to associates who helped grow the company. From the inception of the Profit Share system through the end of 2008, Keller Williams Market Centers gave their associates approximately \$237.7 million in Profit Share.

In order to maintain the integrity of the system, the leadership team in every Keller Williams Market Center follows the Profit Share Accounting Policies and Guidelines as outlined in the *Policies and Guidelines Manual* and as voted on by the International Associate Leadership Council (IALC). Each Market Center utilizes a standard Chart of Accounts that allows uniform implementation in every Market Center. Additionally, each Market Center opens their books to maintain accountability to minimizing expenses and generating profitability. Finally, each Market Center utilizes standardized software to ensure smooth and efficient processing.

*“Nearly half of
the profit that the
Market Center
makes is distributed
as a thank-you
to associates for
growing the
company.”*

MO ANDERSON, VCOB,
KELLER WILLIAMS REALTY,
INC.

There are four steps to Profit Share employed every month:

- Step 1: The Market Center Calculates Profit
- Step 2: The Market Center Splits the Profit
- Step 3: The Profit Share Factor Is Calculated
- Step 4: The Profit Share Is Dispersed

The following example uses the actual numbers from the Antelope Valley Market Center in Palmdale, California, in January of 2009.

Step 1: The Market Center Calculates Profit

Market Center Gross Closed Commission		\$1,070,124
Less Keller Williams Realty Royalty Fee	-	\$27,416
Equals Net Gross Commission	=	\$1,042,708
Less Associate Commission	-	<u>\$910,671</u>
Equals Company Dollar	=	\$132,037
Less KW Approved Expenses	-	<u>\$58,378</u>
Equals KW Profit	=	\$73,659

Step 2: The Market Center Splits the Profit

	<u>Profit Share Pool</u>	<u>Owner Profit</u>		
Level 1	25%	\$747.50	75%	\$2,242.50
First \$2,990 of profit				
Level 2	35%	\$2,887.50	65%	\$5,362.50
Next \$8,250 of profit				
Level 3				
Any profit over \$11,240 (\$2,990 + \$8,250 = \$11,240)	50%	\$31,209.50	50%	\$31,209.50
Totals		\$34,844.50		\$38,814.50

Step 3: The Profit Share Factor Is Calculated

On a monthly basis, the Market Center's Profit Share Factor is determined by dividing the Market Center's total Profit Share Pool by its Company Dollar amount. In this example, divide the Market Center's \$34,844.50 Profit Share Pool by its \$132,037 Company Dollar to find a Profit Share Factor of .2639.

Step 4: The Profit Share Is Dispersed

What each associate paid in Company Dollar for a month is multiplied by the Profit Share Factor to find the amount of Profit Share that will be distributed to that associate's branch in the Profit Share Tree on the 21st of the following month. In this example, if an associate paid \$1,800 in Company Dollar in the month, multiply that \$1,800 by the Profit Share Factor .2639 to find that \$475.02 will be distributed to this associate's branch.

Each associate names a "sponsor" when they join Keller Williams Realty. A sponsor is the one person the associate perceives to be primarily responsible for bringing him or her to the company. In this example, the associate has \$475.02 to be distributed. The person that they named as a sponsor will receive 50 percent of that amount or \$237.51. The person their sponsor named as a sponsor will receive 10 percent or \$47.50 and so on. Currently, the Profit Share system has seven levels.

Profit Share Distribution

1st Level	50%	x	475.02 =	\$237.51
2nd Level	10%	x	475.02 =	\$47.50
3rd Level	5%	x	475.02 =	\$23.75
4th Level	5%	x	475.02 =	\$23.75
5th Level	7.5%	x	475.02 =	\$35.63
6th Level	10%	x	475.02 =	\$47.50
7th Level	12.5%	x	475.02 =	\$59.38
Total			100%	\$475.02

Example distribution for an example associate.

Special Notes About the Profit Share System

1. A Market Center must be profitable in order for there to be profit distributed. If a Market Center is not profitable, an associate in that Market Center can still build his or her Profit Share Tree in anticipation of Market Center profitability. Additionally, an associate in an unprofitable Market Center can still receive Profit Share from associates in their Profit Share Tree who are in profitable Market Centers.
2. An associate must pay Company Dollar in a particular month in order for Profit Share to be distributed to that associate's branch in the Profit Share Tree.
3. The Profit Share system is coordinated throughout all of North America. An associate could join a Market Center in Massachusetts and name an associate in an Ottawa Market Center as his or her sponsor.

"Profit Share is what you do to have integrity when you succeed through people."

MARK WILLIS, CEO, KELLER WILLIAMS REALTY, INC.

4. Once an associate has been with Keller Williams Realty for three years and a day, he or she is vested. When an associate is vested, he or she can leave Keller Williams Realty and still receive Profit Share.
5. Associates can will their Profit Share to a beneficiary.
6. Associates can—and often do—receive more in Profit Share than they pay to their Market Center Company Dollar cap.
7. Receiving \$100 per month in Profit Share would be equivalent to having \$24,000 after-tax invested for a year at 5 percent. However, Profit Share requires no investment on the associate's part.

The Formula

Gary Keller and the first ALC crunched the numbers to construct a formula that optimally rewarded both owners who risked their investments and associates who helped grow the company. In subsequent years the International ALC (IALC) has modified the Profit Share system, but it has ultimately underscored the strength of the numbers as they exist. In answering the oft-asked question regarding how these particular numbers were derived, Gary Gentry recalls with a laugh they were the result of “committee work.”

When asked whether or not the Profit Share system works, Gary Keller replies with surety. “It’s a mathematical formula. It’s not a question of ‘does it work or not.’ If the business is profitable, Profit Sharing ‘works.’”

Passive Income

The amount of profit any person in the Profit Share system receives is passive income. Associates share in the profits of the company like an owner would, but without any personal risks or investing any capital.

- No financial risk
- No legal risk
- No down payment

As Bryon Ellington, CPO, Keller Williams Realty, Inc., explains, “We jokingly call it mailbox money. Once someone names you as a sponsor, all you have to do to get it is go to the mailbox, and there’s your check.” Deborah Blue, currently Team Leader at the Atlanta—East Cobb Market Center in Georgia, recalls that when she began developing her Profit Share Tree as an associate, it took no effort. “When I left my previous broker, people started asking, ‘Why did you switch?’ My join date was in October, and I went to my first Family Reunion in February. And I couldn’t stop smiling; I couldn’t come off the cloud. People noticed it in town. All I had to do was tell them how excited I was and what the company was already doing for my

business. I would just say, ‘Let me introduce you to my Team Leader.’” As of March 2009, Deborah has 9 people in the first level of her Profit Share Tree. Since 2001, she has received \$117,829.12 in Profit Share.

Associates from all over North America tell stories of how the added passive income stream of Profit Share enabled them to send their children to college, to pay for medical bills, to buy cars, and even vacation homes. Associates have heard poignant tales of Profit Share being willed to families who desperately needed income, or to an elderly mother who no longer had someone to care for her.

Profit Share can be the income stream that enables an associate to profoundly change their financial destiny. In *Cashflow Quadrant*, Robert Kiyosaki argues that individuals can find financial freedom through income streams in four quadrants: Employee, Self-Employed, Business Owner, and Investor. He explains that you can find success through any of the quadrants, but that of the Business Owner and Investor will help you to achieve greater wealth at a faster pace than the other quadrants. Whereas an associate may typically experience the Self-Employed quadrant, when that associate builds his or her Profit Share Tree, they essentially establish themselves in the Business Owner quadrant.

Colette Ching, Team Leader at the Santa Monica Market Center in California, says in reference to *Cashflow Quadrant*, “I get the four quadrants. That’s why I’m passionate about associates in my Market Center developing their Profit Share Trees. And when they succeed in growing their trees, the Market Center succeeds in profitability, and then I succeed too. This is what we mean by success through others.”

As Gary Keller states, “Profit Share is an equal opportunity, unequal reward system.” Associates who have made the decision to participate in the program have seen their lives changed forever—associates like Ed and Trish Hendel from Horsham, Pennsylvania, who received more than \$245,000 in Profit Share in five years. It doesn’t happen overnight, though. Sharon Gibbons explains, “We’ve had some people who received a dollar in their first check, and now they live—and live well—off their Profit Share checks.”

Conclusion

The Keller Williams Profit Share system was constructed from the tenets of the company’s unique business culture that promotes distinguished personal, professional, and financial success through collaborative business models. This system has allowed associates to develop financial freedom, while their company prospers.

“We are the only company out there that can reward associates for being ethical, strong agents and have it impact their financial solvency forever.”

MARY TENNANT,
PRESIDENT AND COO,
KELLER WILLIAMS REALTY,
INC.

About this White Paper

This white paper was written by Stacia Thompson, Curriculum Team Leader in Keller Williams University, to capture the history and success of the unique Keller Williams Profit Share system for both associates inside the company and interested parties outside the company. The information in this white paper was compiled through interviews, research from the Keller Williams archives, and a literature review of business models in a variety of industries, including the real estate industry.

The Keller Williams Realty case study can be purchased from Harvard Business Publishing:

[http://harvardbusinessonline.hbsp.harvard.edu/b01/en/common/item_detail.jhtml?id=HR29& requestid=80487](http://harvardbusinessonline.hbsp.harvard.edu/b01/en/common/item_detail.jhtml?id=HR29&requestid=80487)

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