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## **Keller Williams profit sharing compensation model**

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In the Keller Williams Profit Sharing model, each month every KW Market Center shares its owner profit with the associates in the form of a profit share. Roughly 48% of the profit is shared with the associates who help grow the company. The Keller Williams system treats associates in the company as if they were partners in the business. We believe if the agent succeeds we succeed.

The concept was developed and implemented to construct a company with a world-class environment and world-class people. Our goal is to establish higher commission splits along with a Profit Sharing System. We wanted to attract and retain the best people, so we give them a percentage of the profits. It puts the agent and broker into a partnership.

We are not fighting over the same dollar, as we are growing something together. In essence, it's a great example of a win-win. No other company has a system based on a Market Center's profits. Our Profit Share system operates on an open books policy.

Each and every month, the company opens the books and discloses to their agents all expenses and income which creates transparency and integrity. This helps attract and retain good agents, while inducing a sense of ownership in associates.

Through the end of 2010, 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. 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. Profit Share is what you do to have integrity when you succeed through people. 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. Associates can will their Profit Share to a benefit carry.

It's not a question of 'does it work or not.' If the business is profitable, Profit Sharing works. 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. 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. Would you like to know more?

Yours in building commercial careers worth having.

Ron Fredette is managing director of KW Commercial NH & Mass., Bedford, N.H.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540