
How to Build a Real Estate Team

by **Lori Ballen**

www.LoriBallen.com



Introduction

I joined Keller Williams in 2010 with my husband. We both took listings and worked with buyers for a short time. We were dirt poor when we joined Keller Williams. We had no credit cards, no cash in the bank, and no clue. OK, we had a clue. Fortunately, we also had Keller Williams and were in a company that fostered teams. They gave us the models, and we went to work.

Our first year, we closed 100 transactions. We currently rank in the top 1% of Nevada agents and in the top 5% of Keller Williams Realty even with a team average price range of \$175,000 (Yes, I know. We are working on that.) Our business is driven completely by web leads. 1/2 are search, and 1/2 are social including the real estate agent referrals we receive via Facebook. That's the good news.

The bad news is that we repeated that 100 unit average year over year and will probably remain there at the close of 2015. I'll get into why later in the blog post. We hit a ceiling.

If you are new to 'Lori Ballen' and The Ballen Brand, you may be in for a shock. I'm one of the most 'REAL' Realtors® you'll probably ever meet. I'm the first to admit my own mistakes and failures. I'm not ashamed. I'm clear that in order to succeed in business, you must fail forward. I've succeeded in my life many times and have failed at many things. I look at my team building efforts as a constant fail forward as we propel ourselves to something much higher... Millionaires! We were there once, and will be there again. And so, we build the empire.

I'll leave the real "How To Build A Team" to the experts like Gary Keller, the MAPS Coaches, and the formal trainers. That being said, I'm happy to share from my own experiences and discuss where I failed forward through my build. I'm certain this post will be a growing post as I continue to learn and experience new things as we grow. We are now building real estate expansion teams, and that will be a new leg in team building for us.

The Experience

This is a long overdue blog post. I've been building "teams" since the 1990s when I had a catering and entertainment company with my husband, Richard. Our events often consisted of thousands of people in attendance since we were the "hotel" caterers for company picnics.

Each big event we catered, we had teams.

- The leadership team,
- The BBQ team,
- The setup & break down team,
- The Prep Team (linen, rentals, dishes, etc.)
- The truck loaders,
- The kitchen staff,
- The buffet line team,
- The entertainment team (those that managed the bounce houses, face painters, balloon artists and so on),
- And of course it all started with the sales and administrative teams back at the office that first booked the event.

You have to realize I was able to build faster because of my experience in business and in building. Real Estate is a different game, yet played in a similar fashion. I adapted quickly to building a team yet I found myself experiencing the same challenges in this industry as I did with the hospitality industry. I'll discuss those a bit later.

I was different that most real estate agents, in that I knew from day one I was ready to build. I'm a builder by nature. There wasn't a question that I would add "leverage" (team members) sooner than later.

Let me sidebar for a moment though and give a bit of advice. Most real estate agents won't build. Many that do will fail before they reach a level of freedom in the build (moving themselves out of the day to day tasks). Many will fail to learn the steps in building and will get the job back again and again and again causing them to give up or struggle intensely while building.

Building a team is not for the faint of heart. But those that do it well are going to find an amazing amount of freedom, both financial and in time.

My advice to most would be to build by demand. In our catering company, we built as the need was there. We acquired other companies when the finances were there, and supply and demand existed. We added team members and leaders when the budget permitted, and a need was there. One day, we looked up and realized we were no longer needed in our business. This was 7th level (as described in MREA), and it was built naturally, organically, as was needed. THIS is how a real estate team will be built successfully by most that do well. (Oh and, by the way, it's all based on strong lead generation).

My team was built on Leads from The Ballen Method Processes. Find out more here:

- [About The Ballens](#)
- [The Ballen Method](#)
- [Seminars](#)

The Foundation and Models:

Before I could build a team though, I had to learn the language of real estate as a whole. Before I could build, I needed to comprehend better how a real estate business is built. I took to the MREA (Millionaire Real Estate Agent) and began learning the models.

In no particular order, I learned:

First, the Economic Model - How a real estate agent (or business) earns income.

Next, the Budget Model - How a real estate agent (or business) should budget and spend what they earn.

Then, the Lead Generation Model - How we would generate leads as an agent and as a team, what the sources would be, how much of each we would work towards, and what that would bring us in regards to business.

And finally, the Organizational Model - Let's just say I was drooling over this one.

"Wait... I thought this blog was about real estate teams", you are probably thinking. Yes, it is. But before you would get even close to building a real estate team, I would hope you would first determine your business plan, so you can then help your team members determine theirs. You'll want a profitable business and adding leverage before you are ready can quickly send you into financial ruin. The models come first."

Economic Model:

Before I could build the team, I had to understand how, we as a business, would make money. In order to do this, I first had to understand listings, and buyer sales, and devise a plan as to how we would generate this business. We first set a goal around our income and then backed that out to determine how many sales we would need at our average price range to earn an estimated GCI. This was our economic model. I used the MREA Business Plan and a box of sharp pencils and erasers carried around in a black binder while I spent a year learning, creating, and editing my models.

Example: Goal: to Create \$500,000 in GCI

Average price range = \$200,000

Estimated Commission = \$6000 per transaction

To earn \$500,000 in GCI, we would need to close about 84 transactions.

Then we would figure our probable listing to close ration and buyer to close ratio to determine how many contracts we needed.

- If we know our conversion ratios, we will plug them in here. Otherwise, we may use an "average" of the market and assume until our tracking can verify.

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Assuming an 80% listing (buy or sell) to close ratio (and as you move forward you will want to divide buy and sell conversions for better figures), you would need 106 buyer and listing contracts to close 84 transactions.

Then we would figure our probable appointment to contract (buyer or seller listing) to determine number of appointments.

Assuming we have an 80% appointment to contract ratio, we would then need 133 appointments to create 106 contracts which would lead to our 84 transactions closed.

Lead Generation Model:

Then we needed to know how many leads we would need to achieve this.

The Lead Generation model is one that very few pay attention to. It's more challenging in the in the others. Most real estate team rainmakers build a team because they have a lot of leads. Many have a single primary lead source, and some have 2 or 3 primary with several secondary. When you get very purposeful about your business and your models, you can master the lead generation model which will give you more power for your business.

When you grow a team, this lead generation model will be key making sure you always thrive with leads. Creating a model will then give you measures that will show you immediately when there is a gap in your lead generation model. Since your lead generation is key to your build and keeping your team alive, you will want to adjust quickly if you see any weaknesses appear in your lead generation activities and results.

The Math:

Based on my Economic Model, I understand that I need to get to 133 Appointments. Now I need to know what leads will get me there. Ideally, I would know my conversion rate per lead source to better create this formula.

Assumptions on ratios, you'll find here as an example only. You'll want to determine your own.

240 Open House Leads

I'll do 24 Open Houses per year, averaging 10 contacts per open house. I convert 10% of those contracts = 24 Appointments.

2400 Web Leads

I'll generate 2400 Web Leads, at .02% Conversion = 48 Appointments

24 "Social" Referrals (Real Estate Agents) at 75% Conversion = 36 Appointments

15 Sphere of Influence:

90% Conversion = 14 Appointments

111 Prospecting Calls:

10% of the contacts I talk to convert to an appointment I'd need 111 Contacts to convert 11 more appointments

I would further break that down into a buyer side and listing side volume as you will see seller leads and buyer leads from various sources will have different conversation ratios.

What this math does for you is provides you with the guaranteed formula for success. If you commit to generating these leads as a team, or as an agent, and track them, you will always know where you are with your business. If you create this model and find you are not generating the appointments, you know that you are either missing the activities or the conversion rates need to be changed. Then you know where to focus on improving your skills. Is it in the lead generation activities? Or is it in the scripts to convert?

If you learn this before you build a team, you will be a master of lead generation and then can provide what few rainmakers can provide to their real estate team, a formula for success with no roller coasters (meaning no goose egg months without production and other months with outstanding closing volume).

As you build your team, you will be fascinated by the differences in lead generation disciplines and in conversion rates. I believe the difference between a team member that succeeds on a team and one that fails is their willingness to be accountable and their desire to

practice self-mastery. A truly talented individual will possess the desire to be the best at what they do. They will reach out to others that are the best in that role they are in and learn from them, shadow them, find a mentor, and attend training and coaching. You won't have to push them for this, they will already chase it. If you don't find team members who practice self-mastery, their ceiling of achievement will become your ceiling of achievement. (Oh, and, by the way, this talent is rare).

Your role as the leader will be to teach them how to think. Later in this post, we will discuss accountability and how that shows up on a team and who's role it is.

The Budget Model:

The budget model has been the most challenging for me personally. I began with the MREA business plan and used the suggested model. I'm in Las Vegas and when I joined Keller Williams in 2010, our average sales price was less than \$150,000 which meant we most frequently saw commissions at around \$4,500 (although they, of course, varied since commission is not set).

The Suggested MREA Budget looked something like This:

Salaries: 12%

Lead Generation: 9%

Technology: 2%

Phone: 1%

Supplies: 1%

Education: 1%

Equipment: 1%

Auto Insurance: .05%

Total Expenses: Around 29%

Now, this is in addition to your cost of sale, which is whatever you pay your brokerage, franchise fees, and anything you pay to your team members.

Example:

A Buyer Agent on a team is on a 50/50 Split.

She closed a transaction and received a \$5000 total GCI to the team.

The Buyer Agent received \$2,500 and paid her own contribution and fees to the market center.

The rainmaker then receives \$2,500 to the team. The Cost of Sale (COS) was the \$2,500 paid to the buyer agent. Let's say the franchise fee is then 3% (\$75.00) and the brokerage fee is 20% (\$500) the team is now depositing \$1875 in the account in which they would use to cover expenses.

We learned the Hard Way:

When we first did this, we ASSUMED a 40% profit based on the MREA model. In order to pay ourselves, we simply cut a check to ourselves for 40% of that \$1875 that would go into the account. This means we would have been paid \$750.00 for that transaction. Right, we didn't make a lot of money. That part is pretty obvious. And in 2015, with price ranges in Vegas still only about \$200,000, we aren't millionaires from this now either. This is one reason we chose expansion, to get into some higher price ranges and provide more growth opportunity for our team members.

Back to the mistake, when we drew 40% profit, we were not considering taxes nor building in reserves. When times got tough, we had to put our own money back INTO the account in order to cover payroll or a bill, etc.

It was a few years later when we put ourselves on a structured payroll based on proven profitability and only drew more when we had certain measures in place. By the time we did this, Richard, and I were no longer in production, nor were we required to be in the office, and this was pretty "passive" income at this point. It was steady and made sense for us.

The Challenge with the budget continued in that our education costs well exceeded the budget. I am an incredibly learning based person. I have coaches and believe in ongoing

training. Just my personal education exceeded the budget with travel costs, not to mention when I started building a team.

We learned the hard way:

Paying for everything. I believed it was our obligation to cover education as a value proposition. I also believed that if I got my team members plugged into education, they would grow as I do. This was not always the case. I found they took it for granted frequently, and travel events became a "party" more than learning and networking for referrals, and it was killing me on profitability. I spent \$12,000 one year just on a coach for a team member that did not wind up growing. It was not the coaches issue; it was mine in that I hired and invested in someone that was not willing to be a master of his own craft. You can throw money all day at 'non-talent', and they won't become 'talent'.

In any case, I had to solve my budget issue where it came to education. I did a few things. I lowered the lead generation % a bit because I did so much online that did not have a large expense. My business is 1/2 internet driven, and 1/2 Real estate Referral through Social Networks and my lead generation costs are lower than those doing direct mail and radio, etc.

It still wasn't enough. And I did want to offer incentives to cover team education in full or part when they earned it. So I began teaching. This was my way to increase my education budget. For every training I did and earned income doing so, I put it directly into our education fund.

This clearly won't be the answer for most of you, I just want you to understand how I personally solved it.

The Organizational Model:

This is my favorite model. The organizational model is how your company operates through people. If you have read MREA, you have seen the path to the '7th level' and although there are some new positions in 2015, the overall concept doesn't change.

I'm going to take a bit of time now and break down roles on a real estate team and then we can get into compensation. Keep in mind that many of these have different titles depending on the brokerage. Sometimes even within the same brokerage, people call them different things and define them differently.

You have the right to call your team members whatever you want. You can organize it how you like, and assign tasks as you like. You can pay them whatever you wish. I highly suggest though that you first master the models we've been given based on the great team builders that have gone before us and then make them your own.

The breakdown I'll include will be a summary of tasks. RSTLM is a course provided by Keller Williams Realty International and offers a much more comprehensive list and job profile when you decide to build. These courses are held all over the united states and frequently in Austin 'served up' as a week long course. You'll find RSTLM or Mega Recruit-Select, not a one time training. You'll need to go again and again and study as you move through your build.

Tip. Everyone, in every position, should have an ONE THING activity that directly results in growth. This is key to the team production and profits.

Roles On A Team

- The Rainmaker, The Mega Agent, The CEO

When you first begin in real estate, YOU are the CEO. You are the rainmaker (the person on the team that brings in the business). You earn the Mega Agent Title at Keller Williams when you reach a certain level of production and have a small team. As of most recent, the Mega Agent qualification I heard was 10 million with an admin and buyers agent, but I hear various versions frequently. Overall, it's a high-producing real estate agent who has a team.

At some point, you may hire a CEO, and their role will now be to grow the team.

Our Mistake - Putting someone in this position based on their culture and loyalty rather than their ability to grow others. Very costly mistake. Cost us years of setbacks in the growth of our team.

**** The Good News - Even though we moved the CEO out, we never had to step back into production. Our administrative team was strong, and we also added agents in "pairs" never leaving only one to take listings or work with buyers. It did leave us with a 'leadership gap' though which I'll talk about more when I cover my personal weaknesses that have held me back somewhat in team building.

Tasks of the Rainmaker

- Lead Generation
- Vision (This is where the MVVBP comes in). A leader casts their vision early and often!
 - Leadership: Typically the Rainmaker is in charge of hiring, firing, training, consulting, accountability until they bring in leaders at which time they become leads of their departments taking over these tasks. (Oh what a glorious day this is). I hired my COO (Chief Operating Office.. also known as an [Assistant Executive \(AE\)](#) in Keller Williams) who now leads my entire administrative team, processes, and systems.
- Business Plans, Models, Budgets

- Future Casting: One of the key tasks for the key leader is watching for shifts in the market. Many agents are fantastic at doing the daily activities but fail to look forward and shift where needed. *We learned this by watching the big REO agents fall right?*

- In the early days, the Rainmaker may be one person or just with an assistant. They may take listings, work buyers, and even do the transaction coordination work until they make the first hire. (which, by the way, should ALWAYS be an administrative professional, not buyers agent.)

Executive Admin / Team Manager / Operations Manager

(I've heard all titles here)

- In the early days will be all things administrative and will later grow into more of a leadership position.

- Hires, Trains, Consults, Leads all other administrative team members. (So here's the rub here.. If your first hire is a "transaction coordinator" who does not have any true leadership desire or talent, how do you build? Do you later have to hire someone to lead this person? In many cases, you will have to top grade to a leader that can build out your administrative team. Few of us got this right on the first hire. It took me more than I can count on one hand that's for sure. I have one now, and it's amazing, but I didn't always, and it was PAINFUL

- Maintains receivables, payables, bookkeeping. In the beginning, we did do our books in-house. After all, there simply wasn't that much to manage. We used Quickbooks online and set up the basic categories based on the MREA budget model. It wasn't fancy, but it worked. Over time, we became hungrier for more data. We wanted to really drill down and discover expenses, and ROI on marketing efforts, and so we hired a professional.

[Tip: Track from day one. Track Everything. Even if you don't know what to do with it, put it in a ledger or on a spreadsheet or in an Evernote or use an app. Just track it. You'll want the data later](#)

- Builds and maintains all office Systems
- Builds and maintains the database.
- Manages the Budget (although the Rainmaker should approve and control spending)

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- Creates Reports: Lead Sources, Production Numbers, ROI, etc.
 - Handles all marketing and brand management
 - Processes all transactions from contract to close.
 - Filters all incoming email
 - Sorts and Distribues Mail
 - Manages the storage for Team Documents.

Licenses:

In most cases, anyone handling transaction documents will be licensed. In most states, there are limitations to what an admin can do without a license and nobody really wants that barrier. Check with your state laws to determine licensing requirements for your administrative team.

Transaction Coordinator

When you are fortunate enough to have an executive admin and have enough transactions and profits to award you another hire, you may choose a transaction coordinator. Some choose a marketing manager. Either will be your choice to make. I personally learned that I would have been better served making my 2nd hire a database manager who also assisted in marketing.

- Prepares Documents and Packets for the agents
- Processes transactions
- May input listings into the MLS
- May communicate directly with the client and co-broker (check your state licensing on this)
 - May do marketing processes such as just listed / just sold cards, open house prep, etc.
 - Orders yard signs, inspections, photographers, etc.
 - Some transaction coordinators have been known to negotiate inspections

Marketing Director

- Manages the Databases
- Creates Content for Websites and Blogs
- Handles PR (Press Releases and Promotions)
- Direct Mail Campaigns
- Drip Campaigns and Touches
- Client Care and After Care Campaigns
- Promotion for current and sold Listings
- Promotions to generate new business
- Open House Systems and Strategies
- Expired and FSBO campaigns
- SOI campaigns and Touches
- Special Events
- Thank You Gifts, Birthday / Holiday / Special Event Cards and Gifts

Listing Coordinator

- Might also handle the marketing in many cases depending on when this hire is made
- Inputs listings into the MLS
- Promotes current listings
- Implements the new listing marketing plan: photographer, appraisers, stagers, etc.
- Might handle transactional listing work

Listing Specialist

- Lead Generates for New Listings (on many teams, not all)
- Presents to listing prospect and educates on current market conditions and consults with seller
- Obtains new listings (priced right!)
- On a team with administrative support, will hand off listing to be processed.
- Tracks Listing progress, showing feedback and gets price improvements
- Negotiates Contracts

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- In many cases attends closing

Buyer Specialist

- Lead Generates (on most teams)
- Consults with Buyer
- Works with buyer on home approval via professional lender
- Selects and Shows
- Creates offers on homes (after educating buyer on current market conditions)
- Negotiates Inspections
- Walk through and Closing

Lead Buyer Specialist

Some teams have moved to lead buyer specialist and showing assistants. In this case, the Lead Buyer Specialist will consult and select homes but will not show homes. The lead buyer specialist will resume their role when the buyer is ready to make an offer and will see it through to the finish.

Showing Assistant

Typically, the showing assistant simply shows homes. On some teams, the showing assistant will select the homes as well.

Inside Sales Agent (Inbound)

- Coordinates incoming leads
- Calls the Database
- Cultivates Leads
- Converts leads to appointment or Listing Agent or Buyer Agent

Outbound Sales Agent (Formally referred to as a telemarketer, may also be called an outbound Inside Sales Agent)

- Calls Expired Listings, For Sale By Owners,
- Calls or door knocks around current listings and open Houses
- Brings in business
- Converts leads to appointment for Listing Agent or Buyer Agent

Field Services

- Puts up open house signs, yard signs riders
- Takes Photos
- Hangs or removes Lock Boxes
- Fills Brochure boxes
- Runs office errands

Lead Listing Specialist

This is sometimes the same thing as a listing agent but will sometimes lead additional listing specialists.

Lead Buyer Specialist

May work with showing agent and may also lead other buyer specialists

Sales Manager

- Leads the sales team
- Casts the Vision
- Creates Culture and Team Moral
- Holds teams accountable for Production
- Hires, Fires, Trains, Leads, Consults

COO

- Protects the Brand
- Leads the Administrative Team (expansion Hub or local team)
- Manages the Budgets
- Personally oversees all team systems and works to streamline processes
- Hires, Fires, Trains, Consults
- Forecasts in a leadership role as to needs for the future
- Serves as a right hand to the CEO
- Oversees Payroll
- Ensures everything is current on bookkeeping, legal contracts, health insurances, licenses, trademarks, copyrights, etc.
 - Cleans up after the CEO (Kind of joke - but not really)
 - Oversees all Marketing
 - Oversees all Transaction Coordination
 - Grows the team through systems and processes that bring in additional business.
 - Human Resources Policies, Procedures, New Agent Intake
 - Keeps the team current on licensing requirements, CE Classes, Company Education and any other suggested education
 - Oversees all team training
 - Holds weekly meetings with administrative team
 - Involved in Monthly Team Meeting (Bling Bash in our case!)
 - This list is much longer in real life - just ask my COO!!
 - Directly in charge of protecting profits.

CEO

If not the mega-agent himself, this would be a leader who oversees ALL. The CEO is generally the highest position on a team and should not be given lightly. They are DIRECTLY responsible for growth of the team in production and profits.

They are responsible for team culture, casting the owners vision, creating team morale, hiring, firing, training, leading the sales team. If there is no COO or leadership EA, they may lead everyone. By the time a CEO is named though, those other roles would all be in place.

Compensation:

It's a beast to even go here and cover compensation because this will vary tremendously from team to team. I'll give you some generals based on my experience in the market, but please know that dollars will vary massively based on price ranges, the cost of living, experience, and many other factors.

I can tell you that when I hire a new team member, I ask them to give me three numbers.

- 1 Their MUST make to survive number
- 2 Their will be content number
- 3 Their Yippy Skippy, I'm never leaving number.

During the first 100 days, they generally start at the MUST survive number. After they complete their 100 days of training, they move to their content number and earn into the Yippy Skippy number. If I'm recruiting high level talent, I may start them at the second number.

Mega-Agent

You are lucky if you get paid. (hahaha. Kidding.) In all honesty, how much you make is up to you and how well you plan, lead generate, convert, earn, spend, and keep. MREA suggested 40% profit for an agent who earns 1 million dollars in GCI. We hear now that a 7th level team is typically in the 30-35% range. I do know some that are still rocking much higher profits based on their vendor relationships and obsession with keeping costs low.

In my market, Las Vegas, the Mega Agent, who closes 100 units could earn around \$250,000 - \$300,000 take home, That's not a huge amount in my book. The goal is to increase units and price ranges. And many do.

I know an agent in Houston that told me his salary this year is 1 million dollars. Of course, he projects about \$250,000,000 in sales and over 1500 units closed in 2015. He also has a lower price range. I find hope watching teams like this.

I'll tell you now, I kept that much in 2013. In 2014, I invested back in people and made more money on my education company. In 2015, I've invested back much of it on people. Better hires. It was a choice I made because I believe in expansion, and I understood that to go there, I needed a COO. He earns 6 figures both runs both my companies. If you were to divide it between both then, he earns \$50,000 as the COO for our real estate team. His potential for wealth is huge because of the profit share model and expansion. And in my case, he will earn profits on both companies. Please keep in mind that I have that rare situation in having two companies that run together.

Executive Administrator (EA)

I've seen some paid hourly and some salary. I suggest higher than what your market bears for an EA. This is a KEY role. What you have to remember is that paying more will not necessarily get you better talent, but paying less will ensure you don't keep it very long!

In Vegas, I've seen administrators earn from \$12.00 an hour to about \$25.00 an hour (which is \$52,000 a year). \$30,000 - \$50,000 a year here would be normal. When hiring an administrative LEADER, it's important to consider the market rate to be what an office manager would earn. Don't pay your EA based on an "assistant" or you may find growth challenging through this person.

That being said, many can't afford more. Here's what I'll tell you. Not once, EVER, (to this date and hopefully forever), have I had to let someone go because I couldn't afford them. Talent shows up. Talent will earn the income you need to pay them and then some. You won't have to doubt it. It might be tough for ends to meet, but if they are talent, the ends will meet. If not, you'll know it, and you can cut it quick.

I have honestly let many people go in their first 100 days of training. I've let some go during the first week. It doesn't take me long to see that someone is not going to do well in our culture or isn't going to apply themselves, or maybe they even bring some drama or extra baggage to work that you didn't spot during the interview process.

The better we hire, the more likely we are to avoid cuts after they join us. (SEE Recruit-Select Training on how to select and Hire and then Action-Train on the 100 days and beyond.

Transaction Coordinator

In our market, Las Vegas \$12-\$15 an hour is normal. Ours really works M-F 8 to 5 but does jump in whenever it's required, weekends or late evenings if necessary.

Buyers Agent

You'll most often see 50%. Some are now going 35-40% that have added Inside Sales Agents. The opportunity for a buyers agent is to become a Lead Buyers Agent and have a showing assistant or lead other buyers agents.

Showing Assistant

It is suggested that they will earn 50% of the buyers agents income for that property. In many markets, this number is lower and in some cases this showing assistant receives an hourly wage for their time plus bonus.

Lead Listing Specialist

MREA suggested a 6 figure income which could be 10% or a salary plus 10% or any figure you deem worthy on your team. Keep in mind MREA was based on a team profiting a million dollars that had amazing administrative systems. The listing specialist in that model is simply showing up to appointments and locking them in. They hand off the listing to the admin team and go to the next appointment. Of course they still handle things like price improvements, but the administrative team is on hand to process and lead generation is handled by a lead generation team generally. This listing agent could then easily take 100 listings a year plus and 10% would add up quickly. You must look at your team and have it make sense. Here's where you need to be careful: Your listing team is your most profitable

side of your business. You don't want to give that piece away too early or overpay in that position. You'll want to make sure you have enough listing leads to support your listing agent on a lower percentage so you remain profitable. 10 or 20% in a market that earns a commission of \$5000 with 50 listings taken won't add up quick. (At 20%, that's only about \$40,000.

Vision, Values and Culture - Your Teams Flavor!

The Vision

Before you build a team, you must have a vision for where you want it to go. This vision will be something that launches your culture. It will be something you discuss on a regular basis on your team. You'll need to get buy in to your vision and make sure you are hiring TO your vision.

And then you can never stop casting it so that the players on your team area living this out.

For my team, I discuss it a lot. It's quite simple. My vision for our team is simply to be the company that everyone wants to be part of and if not, feels like they are missing out.

It's about creating a brand that is fun, and pioneering, and trending. It's about being the best in the industry and setting an example so that other say "WOW. They are amazing. If I work with them, I'm sure to follow the same path". And it's not just about the talent. We want the consumers to look over and say "WOW. What are they doing on that team? I see stats like The Ballen Group gets its sellers 103.8% of their asking price on average. I see that they are family based, technology driven, and fun! I want to do business with those guys. Anyone else in Vegas would pale in comparison."

Whatever yours is, make it yours. Discuss it often. Casting a vision is more than just reciting your vision statement. Your vision will grow as your team does, and it's important to remind everyone of the path, the opportunities, the growth potential, and mission for the company. When people believe in this vision, and the mission, and the direction of the company, they will be less likely to leave when they see a shiny object.

Culture

We must hire to our culture. Not everyone's culture is the same. I describe culture as a "flavor". It's an energy. It's a group of people coming together to do business in a similar way.

And that means the energy around it as well. Our culture has been described as "Mexican Margarita". I think that came from one of our many happy hours.

The Ballen Group's culture is one of work hard, play hard. We do both in a very big way. Our monthly meetings are called "Bling Bashes" where we ring bells, have cocktails and have been known to break out in song or dance. And at work, we are focused, motivated, disciplined, and willing to do more than we think it will take to succeed.

Our culture is to have each others backs. Our culture is to never play the victim. Our culture is a learning based, master of our own crafts culture. We all desire to be the best that can be, not just the best WE can be.

Our culture is WOW. It's more Circus Big Top WOW than red carpet wow. It's a culture of communication, exceeding expectations, and a never-ending stream of surprises that leaves everyone who comes in contact with us saying WOW.

Core Values

And our team created the following belief system. These became our core values and are often discussed.

- 1.) Teamwork - To value each other as individuals as well as partners.
 - 2.) Synergy - The collaborative effort of our energies to create the power of unity
 - 3.) Unity - To always remember that the whole is greater than the Sum of each part
 - 4.) Self Mastery - Never stop seeking knowledge
 - 5.) Growth - Busting Through!!!! Where Ceilings become Floors.
 - 6.) Exceeding Expectations - Never stop wearing our WOW!!
 - 7.) Purposeful - Intense Sense of Direction
 - 8.) Big Why - Knowing what's important, so we achieve what matters
 - 9.) Discovery- Discovering, who we are so we know what drives you.
- Accountability and Standards

Accountability and Standards

I'm going to be incredibly honest here. This is not one of my gifts. I'm self-accountable and struggle with holding others accountable. And I'm going to say it's the most important activity for a team, accountability.

Most "Mega-Agents" who take a behavioral assesment will see accountability on the lower side of what's "natural" for them. This is where we have to use the E to P (Entrepreneurial to Purposeful) steps from the 6 personal perspectives (KW Trainings) and create a purposeful system to ensure accountability is a major part on a team.

Accountability starts as soon as we hire a new team member. We are taught in RSTLM to have an expectations dialogue with the new hire. It's basically a "How do you win with me, How do you lose with me" conversation that clears up any ambiguity as to how the two of you will communicate.

This expectations dialogue should be referred to frequently as the leader and new hire are getting to know one another. One of the best questions in there is "How honest do you want me to be with you?", and then the talent defines what that means to them. When we are accountable to communicating in the way we agreed upon, we immediately have a leg up in the process. And if we don't, we create friction from the onset.

When we bring on new talent, there's a training process. RSTLM offers the 100 day training program. The course even gives us sample 100 day outlines for a new buyers agent, and a listing agent, and a executive admin and so on. And this 100 days is amazing, provided we remain involved and hold our new hires accountable to completing the tasks and reaching the milestones.

I'll be honest. I've failed at this. More than once. In fact, it's a painstaking process for me. When I have done it all the way through with my hires, they succeed. I have shining examples on my administrative team (Hannah and Victoria for example) that loved this training, succeeded, and are doing wonderful. I've got a listing agent (Lynn) that has been with me for years that went through her 100 days and of course came out of it a 100% self

managed individual. And I've got examples where I didn't do it.. and most are not around today.

Accountability then shows up in the form of weekly meetings. Another tool we have received from Keller Williams is the [411](#). It's a simple tool where the talent maps out their goals for 1 year, then each month, and the 4 weeks of the month. The goals are drilled down to monthly and weekly activities to reach the goals (professional and personal) and the leader is to meet and ask a few simple questions. It sounds something like this:

"What were you wanting to achieve this week?"

"How did you do?"

"How do you feel about that?"

"What do you need to do next?"

"Any resources you will need?"

And that's it. It's about self-discovery. It's not about beating them up because they didn't meet the standards. (That's left for another conversation). It's about helping them realize which activities they may not have been disciplined about that would have led them to their goals. It's about self-discovery to realize what needs to happen next.

When we "tell" someone the answers, they don't "feel" them. It's important to ask the right questions that will lead someone to a personal realization. A-HA! This will lead to movement. Us telling them how to solve their problems won't.

Standards

Oh, here we go.. it's the "S" Word. This word bothers me in the world of team building. Why? Because I hear it all the time "Our standard is 4 closings a month". Really? Because your team reports show that you have 3 agents on your team and none of them are averaging 4 a month.

So what is a standard then?

Dictionary.com defines it as something considered by an authority or by general consent as a basis of comparison; an approved model.

Merriam-Webster defines it as constituting or conforming to a standard especially as established by law or custom.

Law or Custom? Yes. That's what I think of when I hear the word standard. Anything below this standard would be sub-standard then right?

If your "Standard" is 4 closings a month, and you have 3 producing agents, then 144 units a year would be the standard for 3 agents. If you set a standard and hold others accountable to it, that's fantastic.

I used to do this, in the beginning, and then I decided that wanted to welcome real life. Ready? This is the part where I get real.

REAL LIFE does not hand you an army of 4 unit + a year producers!!!!

In my market, if you do 48 units a year, you are in the top 2% of our market. Holy cow. It's just not that easy.

It should be. Yes. It should. On a team that offers lead generation and transaction coordination support, that says the agent only has to convert leads to closings, it should be. And it's not.

Talent is rare.

And it's not always a work ethic issue either. I've seen agents with amazing work ethic never reach 48 units closed in a a year.

Why? Well to me, that answer is easy. It's simply the choice on what activities they CHOOSE to focus on. The agent that works more diligently on lead generation or closing leads to appointments will close more transactions than the one that chooses to get wrapped

up in paperwork even though they have a TC because they are a control freak with the contracts.

- The agent that chooses to do their daily activities while sitting in an open house instead of sitting in the office is more likely to close more transactions.
- The agent that COUNTS their calls so they know how many calls they have to make to set an appointment is more likely to succeed than the one that goes through the motions just because 8-11am is "lead generation time" and they want to follow the rules.
- The agent that MASTERS scripts instead of "winging" it is more likely to land more appointments and higher commissions.
- The agent that CHOOSES to focus on a certain price range, or niche, or neighborhood instead of simply taking the low hanging fruit will have a higher closed price range and higher closed GCI and probably have to do less field time.
- The agent that CHOOSES to learn leverage and work through administrative professionals and showing assistants and listing coordinators and will certainly close more units because they have learned the power of success through others.
- The agent that holds an open house, and implements a plan of door knocking, and inviting neighbors, and calling around, and running ads, and hanging flyers, and putting up a massive amount of signs, then laying out the open house strategically, and getting everyone to sign in (legibly), and then following up to convert will have a much higher probability to do 48 units a year than the agent who simply throws up 4 signs and "SITS" the open house.

So what are my standards for The Ballen Brand Teams?

Simple. Do what you say you are going to do. That's it.

Yep. It's true. I did away with the "TEAM" X number of units a month or else. You know why? Because I wasn't willing to do the "or else" part. I'm not going to fire someone who does 36 units a year because they didn't live up to the teams "48 unit a year standard" I hear so often.

I do think great leaders can take a sales person from 36 units a year to 48 units a year through those accountability conversations. If you are willing to have the conversations, you can help talent achieve more. Talent will WANT more. They will PUSH for more. They don't always know where they are stuck, and you helping them self-discover this during a 411 can be the answer.

Don't ignore the personal goals on a 411. It has been my experience that frequently when someone is struggling in their professional goals, something at home is also struggling. It might even be that they haven't set enough personal goals or tied in a purpose "big why" personally to their professional goals and so they may not have the DRIVE to push through the challenges and the activities they don't like as much to reach those goals. A KW style BIG WHY session may be in order.

I appreciate the tool "[Getting The Book](#)" from the RSTLM series. It helps us discover what is important to our team members. It helps THEM discover what is important.

How do I set my standards then?

When a new team member joins our team, we do a business plan. It is essentially the economic model I showed you earlier, backed by the lead generation model.

I ask them "How much money do you want to take home each year? What do you want to put in your pocket? Tell me why that number is important to you. What does that do for you?"

And they answer.

Next, we take out our math worksheets and back out what that looks like.

"So to achieve \$_____ in your pocket over the next 12 months, you would need to help X homeowners sell or consumers buy which is X closed transactions. In order to reach that many closed units, based on an assumptive closing ratio of %_____, you would need _____

appointments. In order to reach _____ appointments, at an assumptive lead to appointment ratio of %_____, you would need X leads.”

Then, I wait. Sometimes they are in shock. Sometimes, OK, let's be real, almost never does an agent come to us that gets the math at a high level. They have never actually taken the steps to determine the plan to reach a certain sales volume or GCI or profit or unit goal. They just roll into the next year saying "My goal is to sell \$10,000,000 in real estate" and they rarely know how to get there.

And then I ask "Is this what you want?" with a response almost always of "Yes, that and then some" and I ask "Are you willing to commit to this plan including the lead generation activities to achieve it? So if my marketing side doesn't, for whatever reason, deliver X number of leads, you are willing to go out and get them yourself?"

When they answer yes, I get their commitment. That's when we design the 411 based on that plan. What do I hold them accountable to? What THEY set on that plan.

Team Systems

I believe every team will require some basic and then advanced systems. The sooner you can get systems in place, the better. When I started in 2010, I was completely broke. I was living on Top Ramen, had no credit, and couldn't spend money on anything. Everything I used was whatever was free. There are some great free systems out there. Once I had a budget, I moved from Free to CHEAP, and then as my budget grew, I was able to move to systems that covered my wish list. I then could buy the Bells and Whistles.

Here's my suggestions for systems on a team:

- Operations Manual - START NOW. Document everything you do. Hire someone to document everything you and your team does if you are not a "document" person yourself. I started by simply recording all of our presentations and calls and systems and processes on video camera and saved them in a Youtube account set for unlisted. Then I created a spreadsheet with links to the videos around the topic. They were messy, but efficient. Next, I used Quicktime on my computer to record screen captures of the steps I did and added voiceover commentary for the person that was going to learn the steps. When I got a MAC computer, I bought software called Screenflow for MAC that I like a bit better. Camtasia is another screen capture tool I have heard a lot of people swear by. Once I had a catalog of these, I set up a basic hosted Wordpress Account and set up user permissions. Each time I added a post, I would put it in the appropriate category and assign the users that had permission to view that post.. Example: Buyers agents, Admin, Virtual Assistants and so on. This protected our administrative files from everyone seeing and protected the agents from being bogged down by administrative files. This was inexpensive and fairly easy to set up. When I shared this system, it was so popular that we did a webinar and made it part of our Ballen Method Sales Library. You can get that here: <http://www.theballenmethod.com/webinar-archive/operations-manual-playback/> Once I began to hire team members, they had to add to the system. Everytime we have any new process or system, it is added to the operations manual. We also add videos we love from other agents or trainings.

This system got so comprehensive that I was able to build my 100 days training completely around links to videos and step by step tutorials in my online operations manual. Now we don't have to "train", we simply hold accountable to the training.

TIP: Everytime you add a system or process to your team, Assign it to ONE person. They then "Own" that tool. They are responsible for learning it, documenting it, and training the team. It's their role to share new features or upgrades and get buy in for the tool. This is not always handled by an admin. You may launch a new listing presentation. The lead listing specialist has to learn it, document it and get new listing agents to learn it. You may launch a new Open House Strategy. You assign that strategy to the buyers agent and he/she has to learn it, master it, document it, and update it with any changes as the years pass. When someone is promoted to a new position on the team, that tool is assigned to someone new.

- A CRM - I started with index cards and a card filing system, then went to a notebook and tabs, and then to a spreadsheet, and then to Top Producer, and then to Marketleader, and then to Contactually and now to Infusionsoft. My pick for MOST agents would be Contactually. My pick for agents with someone on the team who does tech AND marketing at a high level? Infusionsoft! You might enjoy this blog post I wrote on the [Best CRM's of 2015](#)

- Phone Systems - Start early and decide how your team will handle calls. Will you round robin style leads? Will one person receive leads? (Yes, this will change over time). I adopted the Google Voice system early on. I got two phone numbers. Neither was my personal cell phone. We put the google voice buyer line on the yard signs and on ads and we had another phone line for Listings and those went on our home value offers, postcards, just sold announcements and so on. Google Voice allowed us to forward our phone numbers to ring on up to 5 lines (FREE). The draw back was that only one google voice line could assign to a phone, so you can't have the buyer line and listing line going to the same phone. What I loved about the two lines was that when that listing line ring, EVERYBODY dived for it. We have now switched to a more comprehensive system because of expansion. We are using Ring Central and have a 1-800 number with extensions to our various locations and departments. You might also consider if you are going to use auto dialers and phone lists of any kind. We used Cole Realty for a while to obtain phone numbers for circle prospecting. We use Voice Shot for recorded call Blasting. And Here's a blog I wrote on [popular auto dialers](#).

- Email Systems - How will you handle email? Will everyone use the same system or various systems? How do these play with mobile devices? Do you want to be able to track agent emails? This is one of my favorite features in Contactually. It tracked email

communication regardless of the email platform. I do think they had to be an imap though if I recall correctly. Here's something to consider. Let's say you hire an executive administrator. You give her an email like lisamarie@joemichaelproperties.com. You have all of your leads, and offers, and communication filtering into Lisa Marie since she is your executive admin. Then, Lisa Marie hits the lottery and quits her job. The odds that you will hire another Lisa Marie as your executive administrator is slim. And if you have to hire to a name, the talent pool gets scarce (That was a joke. Please do NOT hire to a name). It may be smarter to set up emails such as sold@joemichaelproperties.com or offers@joemichaelproperties.com or transactions@joemichaelproperties.com or info@ or support@ or mail@ and so on. We now have marketing@theballengroup.com that goes to our marketing manager, transactions@theballengroup.com that goes to our TC and we have coo@ballenbrands.com to our AE and so on. Just something to consider so you can scale later.

- Document File Storage System - This would be a system like Google Drive or Dropbox or Evernote or whatever other system you desire to safely store and organize your office documents. I would highly suggest a human resources file early where you scan all of your team contracts, and intake documents, behavioral assessments, 411 and Kash talks and so on.(KASH stands for Knowledge, Attitude, Skills, and Habits and is an accountability worksheet for meeting with new and/or experienced hires. This is part of RSTLM)

- Tracking System - Know your Numbers! Track early and often. - Have everyone on the team, STARTING WITH YOU Track their numbers. Use a Google Spreadsheet or online platform such as Keller Williams MAPS tracking called KDNA. You'll want to know the teams numbers and each individuals numbers. [Here's a blog I created on tracking that could help get you on the way.](#)

- Transaction Management System - Adopt something you like. My suggestion is to have your EA find something they believe in and will use at a high level. Make sure they document everything in the operations manual so your next hire can use this.

- Marketing Tools - These would be marketing tools for blogging, postcards, mail outs, email campaigns, closing gifts, branded SWAG and so on. These are landing pages, and lead magnets, and lead generation tools, conversion tools etc. You can find the tools I use at www.LorisTools.com. Remember, I started with FREE and earned my way up to CHEAP and then bought bells and whistles.

- Email Broadcasting Service - services such as bombbomb, mailchimp, Constant Contact, A Weber and so on. We have now switched to Infusionsoft for our email blasts of any kind and are using LeadPages in conjunction for fancier templates.

- Calendar - This was a PAIN for us for years. You'll want to find a calendar system that allows certain privileges and the ability to see your teams appointments, 411 schedules, team meetings, education events, travel dates and so on. We now have a calendar with infusionsoft we like, but used a combination of calendars before that. If you can get everyone using Apple Products, this is easier! (plug for Apple. And no I have not gotten everyone on Apple products... YET.. but it's my mission).

- Communication - How will you communicate? Will you have an interoffice chat system? I just love Basecamp. It's a software that allows us to set up projects and communicate with each other on that project. This is excellent for wanting to see everything that is happening with a new listing or a new buyer. You can even email all users and choose who sees the email, and it's sent to each and documented and responses are then documented in the project as well. We started an ichat system and quickly got rid of it when realized it was more of a distraction of the team than a help. When we offer "chat", the team gets very social where documented emails are more focused. You may want to do a Facebook private group just for your team as well. It can function like a company newsletter of events, announcements, awards and so on. It's fun too. Just don't expect to put a mandatory team meeting on Facebook and have everyone show up. Keep that one social and one would be my advice. Otherwise, your non Facebookers (most of my early 20's team members) won't see it and won't be there.

General Tips from my experience

Systems:

Always have your administrative team adopt and roll out your systems. Yes, I still make this mistake from time to time because I'm the marketer, and some of my systems require "marketing" processes. When you do it, you own it. When they do it, they own it. I don't think it's bad to be involved, but they should set it up. Otherwise, you get emails saying "Hey, can you run the X report for ROI on X" because you are the one that took control.

Talent:**Administrative Talent:**

Oh, I loved this comment from one of my mentors once. He said, "3494's live in the weeds." What this means for those of you who don't know the AVA behavioral assessment is that the general administrative professional that fits that profile is always feeling a bit behind and chasing tasks. I find myself constantly having to help 3494's prioritize. I work hard to teach them how to think to prioritize but when they are new to the team, they may not even speak the language of real estate, and may need guidance on what's most important. Then we teach them how to think, and they learn what's most important as we grow.

Loyalty:

Loyalty was for the longest time the most important qualification I looked for in a team member. Not anymore. I was burned several years ago when someone recruited some team members off my team. Now, I have to say that neither of these team members was of great value to us as a team. In fact, they were both detrimental overall. And this was my fault as a leader that I allowed them to stay as long as I did.

I felt I could "help" them or "grow" them somehow. I was working hard to shift them to different positions on our team thinking that would be a fix. (it rarely is by the way. Moving positions on a team should be about more opportunity for talent, not to fix what's broken with that individual's results on the team).

When a shiny object came along, they decided the grass was greener and left.

I was hurt and allowed that pain to then change what I wanted in team members. I moved out of the office, got my space, and decided I would "protect" us all by keeping us isolated.

My interview process changed, and I began to DRILL for loyalty. I ignored when someone wasn't especially learning based, or didn't have a history of success, or didn't really seem to practice self-mastery or accountability. I made them fit because they seemed like such a Loyal person.

And then, my most loyal person ever... left. After nearly 4 years, he left. Why? Because we were no longer a match, not because he wasn't loyal.

I've actually moved back into the market center with my team, and we work side by side with those same team members that were recruited away years ago. I got over it. I don't socialize with any of them, but my "fear" of someone being "stolen" is gone.

I grew as a leader and realized that if I hire to my vision and culture in the first place, and offer a growth plan that provides huge opportunity to those that are learning based, and practice self-mastery, and are accountable, and live by the 80/20 rule, and break through limiting beliefs

What's the Truth?

Ben Kinney, who I personally admire a great deal for his business building concepts, marketing mind, and for the similarities I believe we have, has given me some amazing advice on more than one occasion.

One time he leaned over to me and quietly asked me this question "What's the truth?" and then just sat in silence while it sank in.

I was feeling inferior. I hadn't done enough, or moved fast enough, or produced enough, or built enough, or profited enough, or hired the best talent, etc. etc. and I was creating my truths based on what I saw in the world of Mega-Agents. Everyone seemed so perfect and here I was still screwing up.

The truth is, most of them still have a mess. Most of them face turnover on their team. Most of them have gaps in talent. Many of them have profitability issues. But most of them won't tell you about it.

I interviewed Lance Loken of The Loken Group in Houston once. Lance is probably the best example of that high performing real estate team, I've ever seen. When he first blew on the scene, I was blown away. We had been at KW the same amount of time, and he was doing

a ridiculous amount of production. Hundreds of Units, Over 100 million in production, and I paled in comparison. On the interview, I did he said "Lori, what you didn't know when you heard my production story from that stage, and all of the money we were making, was that I was losing my marriage. My home was nearly in foreclosure, and I was losing everything. I almost didn't make it."

Of course, he did make it. In 2015, his goal is 1529 units. He is now earning a salary of about a million dollars.

I'm not suggesting you debunk everyone you see on the stage. I'm saying, they didn't just "show up" overnight. They sacrificed, and I can guarantee you, they would tell you they are not perfect if you asked.

So How do YOU Get Started in Building a Team?

1. Start attending trainings like RSTLM as soon as you can.
2. Find someone who has a team like you want and start following them. If you can, interview them. If they offer to mentor you, take it!
3. Hire a coach as soon as you can
4. Create your Models
5. Determine your Flavor
6. Decide on your Standards (Customer Service, Culture, Production) - Remember, Standards should be upheld!
7. Determine what systems you will begin with and which you will add and when
8. Create an Organizational Chart. Mind Map where you are now and where you want to be someday.
9. Set your compensation structure. Before you make your first offer, SCALE it. What does it look like when you are closing 10 mil, 20 mil, 30 mil, 100 mil +
10. Decide on your human resources policies. Will you offer health benefits? Paid time off? How will vacations work? Sick Days? 401 K? Bonus? Growth Plan?
11. Remember that your first and generally 2nd hires should be administrative talent.
12. When you hire your first administrative hire, you should be able to double your production as long as you focus your hours on Lead Generation and **NOT ON GOLF!**
13. Decide what tasks the people on your team will fulfill
14. Set goals based on your production goals first. When you hire, you must involve your team in these goals. If their goals don't add up to your goals, you will have an issue.
15. Begin to learn leadership skills ASAP. Your biggest gap won't be hours in a day, it will be lack of leadership skills if you don't already possess them. And even if you do, you will need higher level skills as you grow.
16. Log on to Agent Mountain and listen to Gary Keller's interviews with anyone who has a team. Write down questions. Seek these people out and ask them! Learn from them.
17. Don't try to be perfect
18. Don't hire someone from someone else's team. Just.. ICK! Don't.
19. Determine your team name. Check with the state and be sure you are in compliance with state regulations for team and group names.

20. Design your brand. Be sure your brand matches the culture, flavor, and MVVBP you created.