



Profit Share

Playbook

KW Where Entrepreneurs Thrive

Welcome to the Profit Share Playbook

The strength of any organization comes from its people and the cultural bonds that connect those people to the organization. Throughout Keller Williams' history, those bonds have been nurtured through many channels but are best personified in one very important mission:

To build businesses worth owning and lives worth living.

In many ways, this short sentence acts as our compass, helping us navigate clearly as the waters around us churn with uncertainty.

In business, just as in life, there are many road maps but few compasses that point us to our True North.

This may be the misunderstood secret of most businesses' success: *Simplicity is where it all begins. Everything moves naturally toward complexity- success is always found in simplicity.*



Our model for success has always been a simple one:

- Have low fixed expenses
- Have low-to-no variable expenses
- Keep a responsible physical footprint
- Be a training, coaching, and consulting company
- Share Market Center profits with all who help earn them
- Build, own, and control our technology
- Empower a **strong ALL** and open the books

All of these ideals thrive today because of the work that we do on a daily basis. Together we have created the largest real estate company under one brand that the world has ever known... and we are just getting started!

Imagine that several years from now, you wake up and walk out to your mailbox, and there is a check for you for several thousand dollars. How would you feel knowing that you could receive income every month on the 21st? How could that change your life?

This playbook is designed to give you an overview of how the Profit Share program works and to invite you to build your business and your passive income.

This playbook is broken down into two parts:

PART 1: Profit Share Explained

PART 2: Participate in Profit Share

PART 1: PROFIT SHARE EXPLAINED

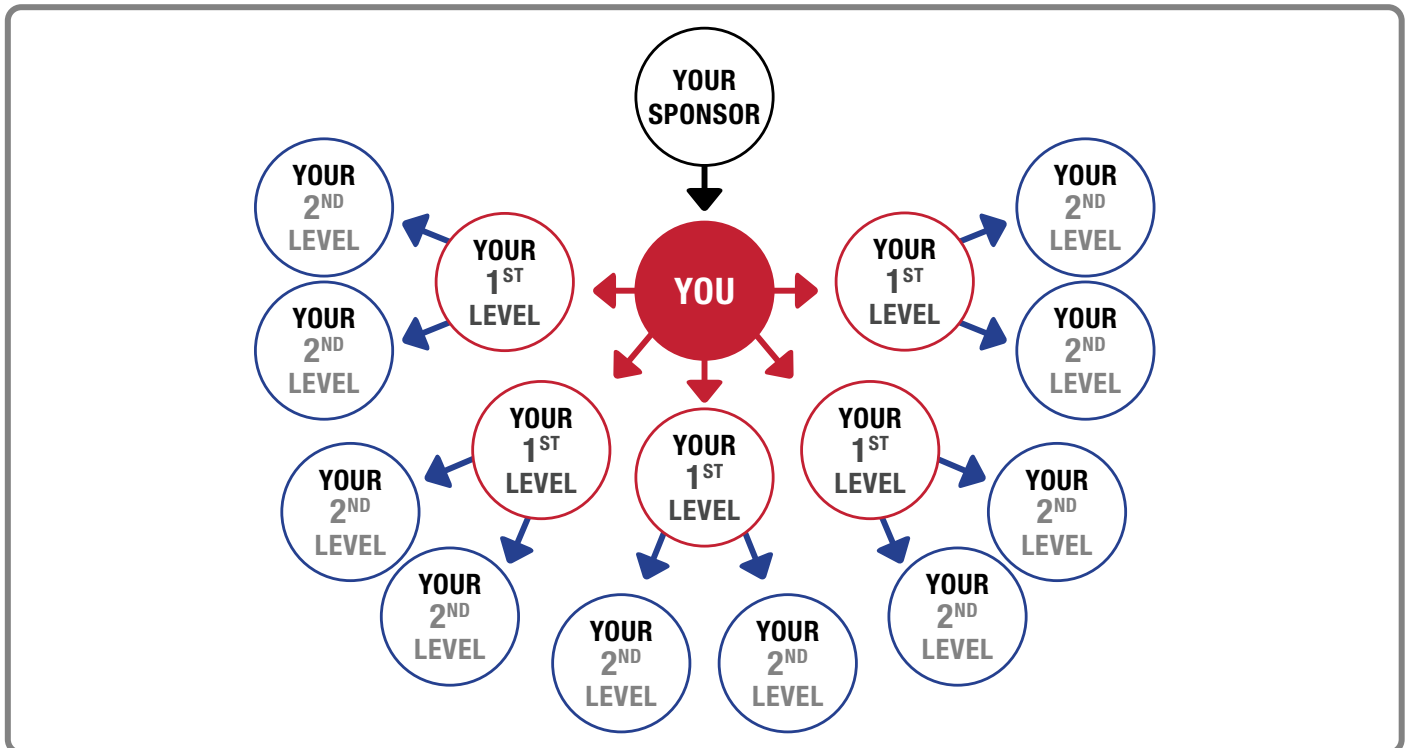
Keller Williams was the first real estate franchise to offer a truly passive source of income to its stakeholders: **Profit Share**. The Market Centers distribute profits earned from agents who sponsored other agents into the company.

Because each agent names a “sponsor” upon joining Keller Williams, the entire ecosystem lives within a huge Profit Share Tree.

Naming a sponsor adds the associate to that sponsor's tree in its "1st level". There are seven levels to each agent's Profit Share Tree.

The first level is created when **Agent 1** sponsors **Agent 2**.

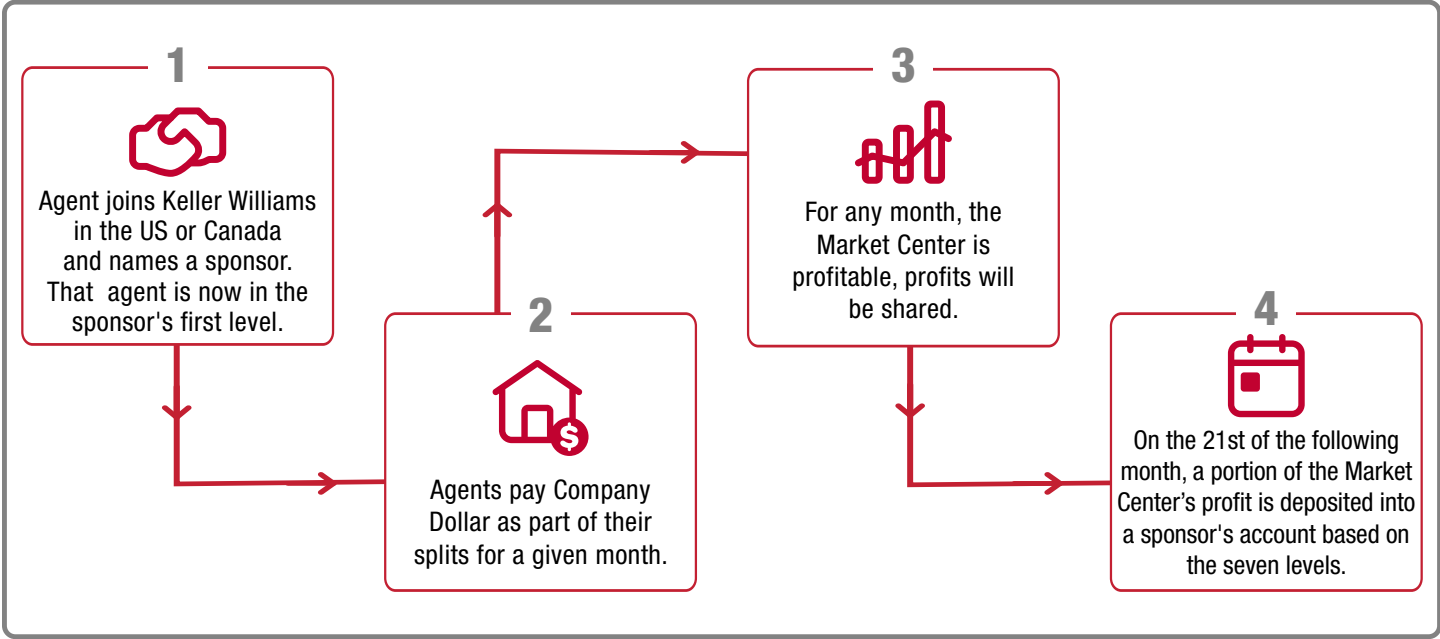
The second level is created when **Agent 2** sponsors **Agent 3**, so on and so forth.



The seven levels each have a certain percentage that is calculated against the market center profit to determine profit share owed.

Level 1:	50%
Level 2:	10%
Level 3:	5%
Level 4:	5%
Level 5:	7.5%
Level 6:	10%
Level 7:	12.5%

Below is a visual representation of the Profit Share process:



Now that we have provided an overview, we will move on to **Part 2: Participate in Profit Share.**

We start with a simple model to help you grow your Profit Share Tree.

Grow your Growth Share tree!

Learn more at the end of the playbook.

PART 2: PARTICIPATE IN PROFIT SHARE

1 Adopt the Right Mindset

1. Culture
2. Passive and Active Income

2 Conduct a Professional Business

1. Best Practices

3 Grow Your Profit Share Tree

1. Meet Other Professionals Passively
2. Lead Generate Actively
3. Best Practices

4 Sponsor Recruits into Keller Williams

1. Find a Market Center
2. Introduce Recruits to a Team Leader
3. Follow Up with the Team Leader

5 Growth Share

1. Referring an Agent to Keller Williams Worldwide

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Adopt the Right Mindset

To adopt the right mindset, you must first understand the Keller Williams culture, then understand the power of passive income.

1. Culture

“

Our culture begins with Market Centers making a profit and then sharing those profits with its agents—but it doesn't end there. We have a foundation that everything else is built on top of.

”

- Mo Anderson

The foundation she is referring to is called the **WI4C2TES**. This living and breathing list of ideals was originally created in 1983 by Gary and fourteen agents in a conference room in Austin, Texas. Gary posed a question to the group: “Why do you all like working with me and what is it about Keller Williams that you respect?” In essence, he was asking real estate agents what matters most when it comes to people and relationships. They brainstormed for a full day, and in the end the list below (Equity was added in 2021) became our values system.

WI4C2TES

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

EQUITY opportunities for all

SUCCESS results through people

By knowing and living the WI4C2TES, you are conducting yourself in a way that matches Keller Williams culture. It allows you to know if someone that you have met while working in the industry or simply by living your life is a good fit for our company. Our values are wildly attractive to the right people, just as they are to each of us.

2. Passive and Active Income

Gary says, *“Your money can go to other businesses, but your time needs to be spent building your core business.”* When the Profit Share system was created, one of the top priorities was that it never took away an agent's focus from listing and selling real estate. This is because **listing and selling real estate** is the absolute single highest and best use of any real estate professional's time from a profit standpoint. It also keeps you **front and center** with the other agents in your marketplace, which makes the prospect of working with you at Keller Williams more attractive to agents who may currently be with other companies.

When you choose to become affiliated with Keller Williams, the Profit Share income that you receive is **100% passive** and 100% of your time and focus stays right where it belongs, on your active clients and your database.

The reason that Profit Share is truly passive is because when you sponsor an associate, you have no additional responsibilities or duties.



It is the responsibility of that recruit's Market Center to train, nurture, and mentor them.



ACTIVITY: What amount of passive income would you need to make? _____

Why?

PRO TIP: Check out page 128 in book *The Millionaire Real Estate Investor* to read about The Path of Money and how to make choices between passive and active income with your models and systems.

Once you've adopted the right mindset, conducting a professional business is the next step in growing your Profit Share Tree.

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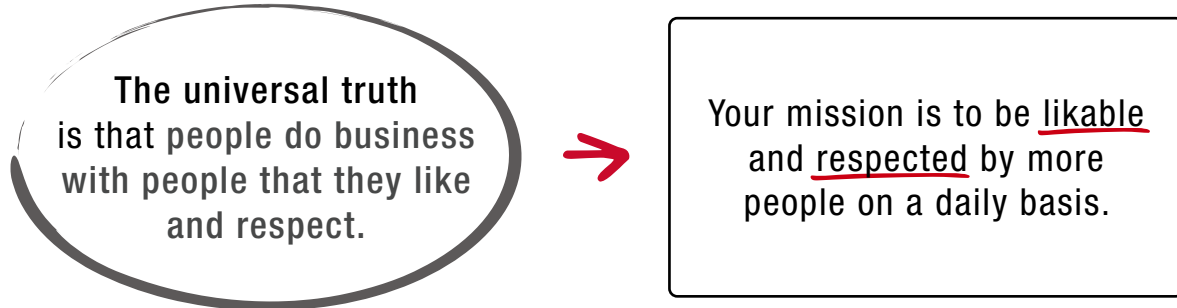
Conduct a Professional Business

A professional business consists of more than branding yourself and selling real estate.

A professional business is **consistently** showing your clients, your community, and other real estate agents that you know what you believe in and your actions match your ideals.

Gary tells us that this is important because *“our businesses grow to the extent that we do.”* When we carry ourselves in a way that is led by our value system, we become highly attractive to others.

Attracting others is the key to growing your real estate business and your Profit Share Tree.



You can do this in a few simple ways:

1. **Selling Homes** - Selling homes allows you to interact with other agents and gain influence by treating them with respect and dignity.
2. **Choosing Happy** - Choosing to be happy daily is a gift that you give yourself that makes other people want to be around you.
3. **Being Engaged** - Returning phone calls, texts, and emails sent from other agents in a timely manner shows people that you respect them and their efforts.
4. **Showing Gratitude** - Studies show that saying “thank you” more often changes your life and the lives of the people around you in fast and profound ways.
5. **Showing Up** - This is how you show up in your community, to your family, to your clients, and to other professionals.

1. Best Practices

We'd like to pass along some best practices for conducting a professional business suggested by Mega Agents who are members of Gary's top mastermind:

1. Send gift cards to the agents whose offers did not get selected when there are multiple offers on a listing.
2. Give closing gifts to agents
3. Send a handwritten card to the other agent they close a transaction with, even when they may not have been a pleasure to work with.
4. Host quarterly or bi-annual book club for other real estate agents.
5. Teach at the local board or local real estate school.
6. Host a quarterly real estate agent happy hour on the last Thursday of each month, at the same restaurant, so that everyone knows when and where.
7. Host a class once a quarter and invite agents from every company to come for free.
8. Call to congratulate agents who list and sell homes within their farm area — everyone likes to be recognized!
9. Send a monthly newsletter to a database of real estate agents that provides useful tips and two pieces of local information.
10. During the weekend, drive around with a handful of “Open House Survival Packages” in the car and stop in and give them to the agents holding the open houses. The packages include a bottle of water, a candy bar, and a container of mints. “I have held so many open houses in my life and no one ever came in and gave me one of those. Everyone I give them to can’t believe it and loves it.”
11. Get a Broker’s License (or Managing Broker’s License depending on your state) to show that you have great understanding of real estate.

You’ve adopted the right mindset and are conducting a professional business, so it’s finally time to start growing your Profit Share Tree!

3

Grow Your Profit Share Tree

Growing your Profit Share Tree can happen passively or actively. When taking the organic approach, you are meeting other professionals by communicating with agents on the other side of your transactions, meeting other agents at real estate events in your area, or just connecting with people in your community who you think you would want to work with.

Similar to passive income, you can take the passive approach to meeting other professionals. The active approach consists of purposefully searching for people that you can introduce to Keller Williams through online ads, hosting seminars, career nights, or other lead generation activities

1. Meet Other Professionals Passively

The easiest place to start to add agents to your Profit Share Tree is by starting conversations with agents on the other side of your transactions.

Throughout the transaction you should have learned how they communicate, how they treat others, and have an overall sense of whether or not they would fit into the Keller Williams culture. Often the best relationships in life are the ones where it was the next organic step for both parties to come together and move ahead.

Profit Share is the perfect passive income stream for a real estate professional who naturally meets agents during the due course of business operations. That way, talking about it and inviting someone else to experience it on their own is not only organic, but also shows care.

If you truly believe that Keller Williams is the greatest real estate company on Earth, then part of helping others is exposing them to the company and rewarding those who help it grow.

2. Lead Generate Actively

Making an active effort to recruit new agents to Keller Williams requires more of a plan. For example, you may create job posts on a recruiting website like Indeed or run Facebook ads to generate leads that are interested in having a real estate career.

PRO TIP: Use free resources like KPREP and KSCORE as a MOFIR (Make Offer For Immediate Response) in your ads.

Active Conversations Tips

However you generated the lead, there are points you can hit that start, and keep, a conversation going. Think of this as a lead generation tactic you would employ with a new buyer or seller lead

1. Why did you click?
2. Are you licensed or unlicensed?
3. What is your Big Why?
4. What are your goals?
5. Do you know how leads, listing, leverage are the basis of your business?

3. Best Practices for Growing Your Profit Share Tree

1. **Enter all recruits in Command** - Like anyone you meet, all leads should be added to your database.
2. **Tag them appropriately** - Use tags that easily show you where you meet them, if they are licensed or unlicensed, and what brokerage they are already affiliated with if any.
3. **Keep detailed notes** - Notes should include your conversations and a little background on them.
4. **Follow up** - Just like a seller or buyer lead, create SmartPlans to follow up with new leads.
5. **Provide helpful resources** - Send reminders about free resources like KPREP and KSCORE, invites to free events, or send books like The Millionaire Real Estate Agent.
6. **Pass to Team Leader** - If unlicensed, they will get them into real estate school; if they are licensed they will meet with them one-on-one

Keep the Keller Williams culture top of mind - continue to provide examples of why Keller Williams is the best place on Earth to work!

4

Sponsor Recruits into Keller Williams

When growing your Profit Share Tree, there are first a few things to consider before referring someone to Keller Williams:

1. Do they fit the Keller Williams culture?
2. Do they have the motivation to grow a business?
3. Do you feel comfortable recommending this person?

Think of three people, *licensed or unlicensed*, that you would like to work with and think are a great fit for Keller Williams:

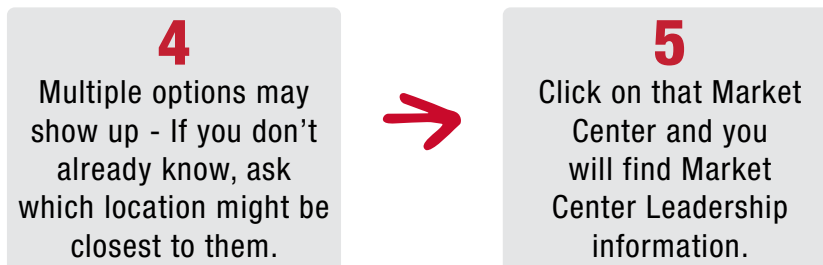
1. _____
2. _____
3. _____

1. Find a Market Center

Geography is not a limit when recruiting an agent to Keller Williams. Whether they are local to your market area or in a different state, you need to first find a Market Center near them so you can introduce them to a Team Leader.



Office Name :	<input type="text"/>
Office Number :	<input type="text"/> If Office Number is entered, other search terms are ignored.
Region :	[Select] <input type="button" value="v"/>
City :	Denver <input type="text"/>
State / Province :	Colorado <input type="button" value="v"/>



2. Introduce Recruits to a Team Leader

A Team Leader is your partner when recruiting an agent to Keller Williams and to your Profit Share Tree.

Before passing
along the recruit's
information, first



Get permission from the potential recruit to have the Team Leader reach out to them or connect them in a group text/email/call/Zoom, that is TCPA-compliant.

If permission is granted, pass along the recruit's information and why you think they would be a good addition to Keller Williams.

That's it. That's it. No, that's really it.

Before making the introduction with the recruit, first reach out to the Team Leader and let them know that you have a recruit you'd like to connect them with. Like any referral, providing as much information as you can will help the Team Leader build rapport faster.

These are just a few details you should share to support your Team Leader:

1. Licensed or unlicensed
2. If licensed, which brokerage they are licensed with
3. A short background about the person
4. How the person knows you

Referring a potential recruit to a Keller Williams Team Leader or someone else in Keller Williams leadership is one of the highest honors that you can give them. This is like when you receive a referral from a past or current client. Aren't those the best days ever?

When you do this, you change the leaders' lives and your path of passive income will begin to grow. Market Center leaders are **ethically bound** to honor leads given to them by other Keller Williams members. These leaders should ensure that a recruit names the person who introduced them to a Market Center leader as their sponsor.

We asked our MAPS coaches

“What are the best conversation frameworks for an agent to use when they are asking a potential new agent if they can connect them with a Team leader?”

Here is what they told us

Hey (insert name), I have a 30-minute business planning session with my Team Leader each week. I would love to gift one of these to you as a thank you for how well you handled our recent transaction. Is it okay if I have my TL contact you to schedule it

Hey (insert name), in a world where everyone seems to have an ulterior motive, I want to shoot you straight. You are building an incredible reputation for being a great agent. My Team Leader is dying to meet you, would you be open to a call about growing your business?

Hey (insert name)! I loved doing business with you, don't be surprised if my Team Leader reaches out to say hi! Would you mind if I had my Team Leader call you

I was just talking to my Team Leader about what a great agent you are and what a great job you did on this last sale. I wanted to give you a heads up that they may reach out to you for a strategy session on how to grow your business

These are just a few suggestions to get your creative juices flowing! In the space below, try writing a few lines on how you might mention Keller Williams in a way that feels authentic and transparent to you.

3. Follow Up with the Team Leader

It's likely that not every person, whether licensed or unlicensed, is ready to make a decision on the spot. That means that you should periodically check in with the Team Leader to stay informed of where the recruit is in their pipeline. Remind the Team Leader that you want to sponsor this agent so your Profit Share Tree grows. Once you've sponsored your first agent, the goal is to continue to grow your Profit Share Tree!

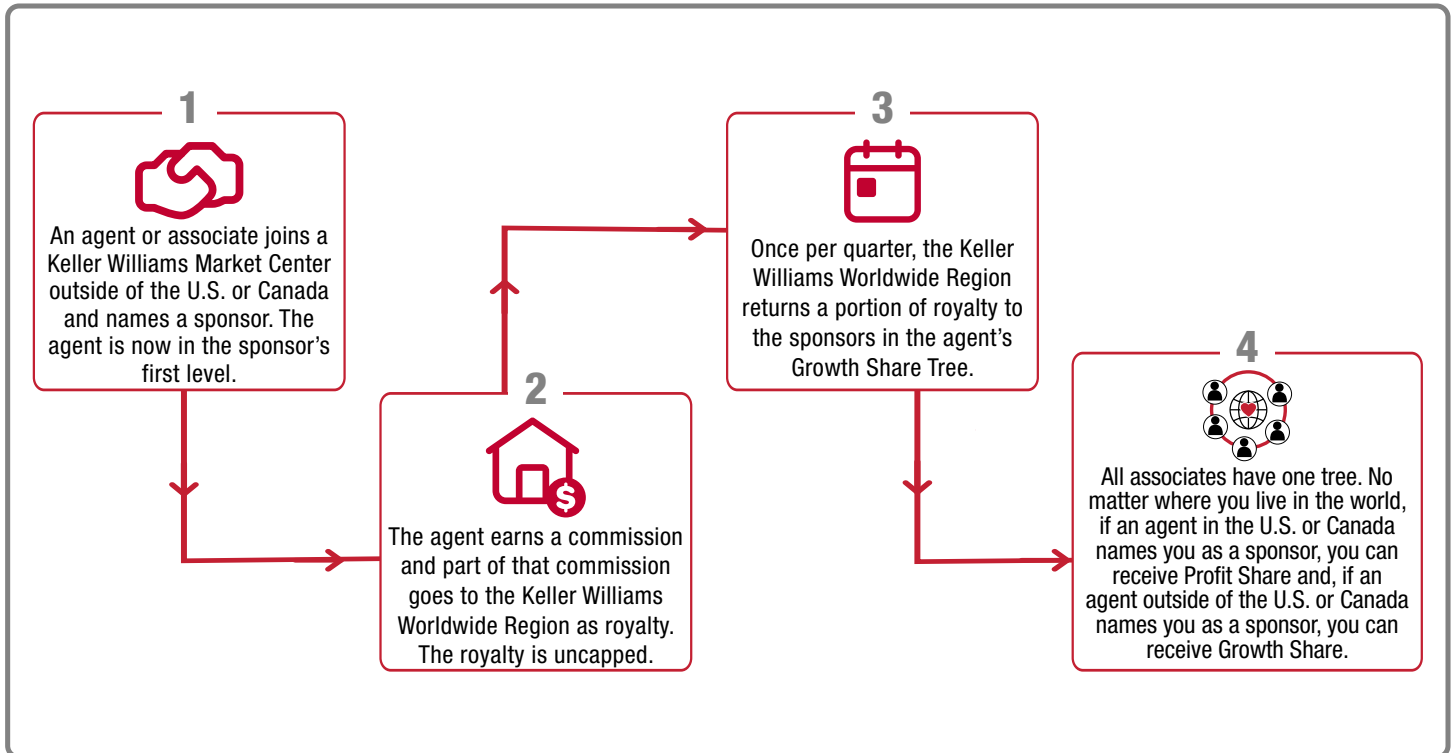
PRO TIP: You should also follow up with your recruit to continue to build rapport and show them the Keller Williams culture.

5

Growth Share

Growth Share works like Profit Share and the opportunity is massive! Keller Williams Worldwide (KWW) has a vision to be in 100 countries and grow to 100,000 agents. That means you can help refer agents or Market Center leaders to current regions or you can find and sponsor the first person in a new country. Anyone, even agents in the U.S. can sponsor an agent in another country.

How does Growth Share work?



1. Referring an Agent to Keller Williams Worldwide

- If you have an agent candidate, refer them to a Team Leader just like you would in the U.S. or Canada. Locate Market Centers in the Referrals applet of Command or visit www.kwworldwide.com and click on the Regions tab to contact them directly with your referral.
- If you have a Master Franchise candidate, ensure they are from a country on the Available Regions list, and refer them to kwworldwide@kw.com

“ When our agents participate in Profit Share, they cease being Keller Williams agents and become Keller Williams stakeholders. If everyone at Keller Williams was a stakeholder, what would the company look like from a cultural perspective, a growth perspective, and a retention perspective? Early in my career I studied a gentleman named Trammel Crow. If you are unfamiliar with him there is a great book, it's a bit hard to find because it is out of print now, called Trammell Crow Master Builder. He built, what at that time was the largest real estate organization on the planet, based in large part on this concept. During an interview in 1989 at the age of 75 Trammel said, 'The only things I have in my life are my business, my immediate family and a little farm. But all of those people (the partners in the firm) are my family, my brothers. I believe in my heart that the relationships couldn't be any better or warmer than that.' I hear many of us talking as adoringly about our Keller Williams as Crow spoke about this later in his life. This sort of warmth and growth and culture can only happen when we are all in alignment with the foundation of the system of which we are speaking. ”

**Said differently, go teach it, live it, and love it Keller Williams!
After all, you built it and it is YOURS!**

Onward
- Gary Keller

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