

Inside the real estate agent team trend

Independent brokerages and franchisors alike are finding success, longevity with the team model



[Gill South \(http://www.inman.com/author/gsouth/\)](http://www.inman.com/author/gsouth/)

Nov 11, 2015 NT SF DC

Key Takeaways

- Have clear outlines for what a partnership or team means in your company in terms of finances and marketing.
- Do personality profiling among other interview techniques before you recruit a new member to the team.
- Communicate clearly with clients about which team member has which responsibility so they feel confident about the team experience.

The average agent in Centre County, Pennsylvania, sells eight homes a year. At Kissinger Bigatel & Brower Realtors in State College, Centre County — an area with a population of 100,000 and the home of Penn State University —

individual agents at the business sell around 20 homes a year, and that is considered respectable.

KBB partner Peter Chiarkas and his teammates, Laurel Cardillo and Krissy Bonson, on the other hand, will be selling around 135 houses as a team this year.

Why so many more? “The team dynamic,” said Chiarkas.



Krissy Bonson, Peter Chiarkas and Laurel Cardillo

“For the past four years, we have had over 100 sales every year, but I can’t do that without my team. No way,” he said. “My customer service would drop completely; we would not continue to get five-star ratings from our clients.”

The KBB team’s structure

Chiarkas is the team leader, Cardillo is the buyer’s agent and Bonson handles the listings. Chiarkas and Cardillo have worked together for 11 years, and both Bonson and Cardillo are fully licensed.

Teams are a growing trend at KBB, said Chiarkas. “As production increases, it’s impossible as an individual to do everything and do it well,” he explained.

“Probably 25 percent of the company is teams. We are very open to one agent wanting to team up with another agent at KBB. The more, the better,” said Chiarkas.

“After you do 50 transactions, you need an assistant; after 100, a second; and after 150, a third, to keep the client happy and not have them feel that you are abandoning them,” he added.

Chiarkas’s goal is to have a manager join in the next two years.

“They will oversee the entire operation. That will allow me to continue to pursue business and continue to build the business up,” he said.

Team economics exceed the sum of their parts

The example set by Chiarkas and his team shows that team economics are not the sum of their parts. And it’s happening all over the country.

“That team of three in State College should do three times as much business,” said Jay Niblick, president and co-founder at WizeHire.com, a real estate recruitment company. “But they far exceed it; it’s exponential. It’s because of that effect that we see more and more people starting up teams.”

**Jay Niblick: ‘That team of three in State College should do three times as much business. But they...
([https://twitter.com/share?text=Jay+Niblick%3A+%27That+team+of+three+in+State+College+should+do+three+times+as+much+business.+But+they...&url=\)](https://twitter.com/share?text=Jay+Niblick%3A+%27That+team+of+three+in+State+College+should+do+three+times+as+much+business.+But+they...&url=))**

And new teams don’t fail nearly as often as new agents, Niblick said.

“Our own experience and industry stats state that roughly 90 percent of all new agents fail to survive past two years,” he said. “But when you look strictly at the team model, that percentage of failure drops to around 33 percent.”

Meanwhile, only 10 percent are likely to thrive long-term in a traditional brokerage model — desk-fee-based with little support or hiring rigor — while a healthy 66 percent are productive under a team model, he added.

Niblick attributes this difference to the fact that teams make more deliberate hiring decisions and provide better support.

“When teams hire somebody, they are much more careful, and they act like a real business,” he said. “They pick people more carefully, they support them, they are happier, there is less turnover, and the business is more stable.”

Specialization helps teams thrive



Jay Niblick

“On top of that, the team model allows members to focus a greater percentage of their efforts on only those things they are very good at, while others apply their strengths in areas where they may struggle,” Niblick said. “This overlapping coverage means any individual’s weaknesses are supported and covered by someone else who excels in that area.”

The benefits of specialization are extremely valuable, said the recruitment expert.

“It works from a personality standpoint — the generalists can never earn as much as the specialists,” he explained. “For example, in medicine, IT and engineering, generalists never make the same amount of revenue as the specialist.

“From everything we see, teams are definitely a growing trend and likely only to continue inside and outside Keller Williams,” he said. “Gary Keller been really great at creating teams and managing them — but there’s nothing to say that others aren’t able to replicate it.

“Results are what will drive the increase in teams. Most of us would assume it’s the future of the evolution of the industry,” he concluded.

Outside Keller Williams, companies like Better Homes & Gardens Real Estate and Re/Max will develop their own training programs, Niblick predicted.

Red Oak Realty’s partnership approach

The team approach is something that independent brokerage Red Oak Realty has done already. General manager Vanessa Bergmark — formerly a team leader at Keller Williams — has followed her own path with formalizing a team structure.

She is very cautious about the process. “Fundamentally, I like the idea of a partnership rather than a team,” she said. “I think a lot of business owners who allow teams to form, willy nilly, are left with an HR nightmare.”

Vanessa Bergmark: ‘I like the idea of a partnership rather than a team.’ (<https://twitter.com/share?text=Vanessa+Bergmark%3A+%27I+like+the+idea+of+a+partnership+rather+than+a+team.%27&url=>)

Bergmark said she thinks that teams are trendy, and that they do make sense sometimes. “Real estate agents are wearing a lot of hats — from writing contracts to prepping houses, and there’s more legal paperwork in California.

“But once you have a big team, then you have a brokerage within a brokerage — which, in theory, sounds great, but it poses HR questions,” she added.

So Bergmark has laid down some rules.

“We crafted a policy at Red Oak that you are not allowed to recruit a partner or team member from within the office,” she explained. “They have to come from outside, and they have to have a certain amount of gross commission income — around \$200,000 — before they have the ability to have enough business to be a team member.”

That’s because at Red Oak, teams are “treated as one person,” she said. “They do everything together — fee, liability, everything.”

For those thinking of going down this road, Bergmark recommends investing a personality profile, such as the DISC personality test.

“If you both love taking the lead role, then you won’t last,” said Bergmark.

She has been impressed with a four-person team led by Katie and Mark Lederer, a husband and wife.

“They both have very different skill sets; they are both good at sales; they complement each other,” she said. “They have an apprenticeship program. It’s a very smart way to do it. It’s very thoughtful — they don’t just grow.”

Partners vs. teams

Having a partner can mean you have more balance in your life and inspire you to take on more.

Red Oak Realty’s Heidi Long has only ever worked alongside another agent — first with her husband Jerry, then with her current business partner, Dana Cordeiro.

“My husband and I had pretty complementary talents and personalities,” she said. “He was more extroverted; he was definitely more outgoing. I am more serious, and both of these temperaments come in to play in real estate.”

Bergmark said that Long and Cordeiro have similar personalities, but they have differentiated their partnership roles.

“I am definitely more willing to take a client if I know that I am going to have Dana supporting me,” said Long, who is also a trained business coach. “From my point of view, I am doing a lot more business than I would have at this point.

“I think you can’t underestimate the fact that it’s going to be fairly time-consuming to deal with your financial agreements and your marketing plan for the next year,” she added. “There is more admin than if you were doing it on your own.”

Are ‘complementary skills’ a dealbreaker?

Not every team leader agrees with the “complementary skills” ingredient deemed necessary by many.



From left to right: Scott Bennett, Shirley Yang, Alex Tse, Joe Frazzano, Keith McKeown, Manel Sousou

Joe Frazzano, head of J. Rockcliff Realtors' no. 1 team, based in Danville, California, has had a stable team of five agents for the past 10-plus years. His team members are all solid salespeople, with support from an exceptional team assistant, and the team achieved \$160 million in volume in 2014.

“Whether individual, team or partnership, you have to be good at many, many things to succeed, not just good at a few,” said Frazzano.

He has given all his team members the DISC personality test.

“Whether individual, team or partnership, you have to be good at many, many things to succeed.” – Joe Frazzano, head of J. Rockcliffe Realtors' no. 1 team

“I would say that almost everybody on my team is an I (influencing) personality — a natural salesperson. I'm a D — a driver, someone that thrives on the business side,” said Frazzano.

His advice to agents and team leaders: “Do your research, make sure that your values align and where the team is headed. Don't join the team thinking you are not going to work any harder. The value of the team, when replicated with everyone's hard work, it just multiplies. It's powerful.”

Frazzano prides himself on the stability of his setup.

“The big issue with teams — they don’t have longevity,” he said. “An agent gets trained, starts making money and leaves. But I do so much for the team members. I am involved.”

The agent’s team fee structure is a bit different. “I am at the top of the food chain. I’m in partnership with each of the team members,” said Frazzano.

And for the first time in about six years, the J. Rockcliff agent is bringing in a new young member to the team.

“It’s challenging, someone new coming in — there’s feelings that are involved,” he said. “Everyone wants my time. That’s something that we have to overcome,” he said.

Teams are ‘highly visible’

The beauty of a team is that teams are “highly visible,” Frazzano said.



Bo Menkiti

One particularly visible group is Keller Williams franchisor The Menkiti Group. Based in Washington, D.C., the group is headed by Bo Menkiti and his wife, Kymber Lovett-Menkiti.

With 40 team members, it has expanded since 2004 to incorporate both residential and commercial divisions, plus a development company that builds single-family homes and an investment arm.

“The first thing about building a team is to have a shared vision for where you are going,” said Menkiti, who is also CEO and founding partner at Keller Williams Capital Properties. “We have a

saying: ‘You think big and act small. You can have a very big vision, but you also need small steps that need to be done at the beginning.’”

When he first started out as a team leader in 2004 — then at Coldwell Banker — Menkiti admits to “winging it.”

He took on new staff relatively casually. “I needed people to do stuff. They knew I would help them; they liked me. I worked with a lot of friends, but we did not want to go in the same direction.”



Kymber Menkiti

He moved to Keller Williams in 2005 with around 10 or 11 staff members.

The Keller Williams team model

Menkiti said that the training program at Keller Williams was appealing. He also saw Keller Williams as a good place for an “entrepreneur in a larger system.”

Keller Williams has 10 agent teams in the top 100 of RFAI Trend’s list of teams
(<http://www.inman.com>)

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Lovett-Menkiti has taken pains to create the culture of this large team. “We do a lot of competitions to work on team goals; we go to a sports game or a wine tour as a way to get everybody focused,” she explained.

“Every six months, the entire full-time staff go away overnight,” she added. “In building a team, you need to take time away to revisit the goal and strategy.”

One of the things Lovett-Menkiti likes about the Keller Williams team model is being able to reach across the country to other people in teams — for instance, a transaction manager in D.C. can talk to someone who is a transaction manager in Dallas.

“It’s not so isolating; you have the connection with other high-performing teams across the country,” she said.

In a team as large as this, everyone knows their role, she said.

And this is communicated to the client.

“It’s about ‘expectation-setting’ — it’s so key that from the very first experience, they know we are a team,” she said.

“It allows us to do different things for clients.”

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Hank Miller Team/Harry Norman Realtors

All well and good but what about compensation levels? Start up and maintenance costs? Legal arrangements? Equity partners?

This business is so fluid that running a deficit is a clear possibility, who tosses money at that when times are lean? The postives aspects are clear, I'd be curious to see the math and the ugly sie of this - like when dissolution happens.

Like · Reply · 4 · Nov 11, 2015 1:04pm



Judy Graff Fisher · Real Estate Broker/Agent at Judy Graff, Broker Realtor

It seems to me that teams are a good idea...for big brokerages. After all, a team needs to be



together in one spot (more or less) and the big brokerage can provide a roof over their heads. The team members therefore have less inclination to leave the brokerage and its commission structure and start their own company when the big brokerage is paying the overhead.

Like · Reply · 1 · Nov 11, 2015 2:12pm



Len Cornacchia · Real Estate Broker at Keller Williams Realty Baxter Village

One of issue with starting a team is that typically it starts with a buyer's agent (after you have an admin). And I ask myself, why would a an agent want to make less by giving away half or more of their commssion? Usually it's because they don't want to hustle to get leads on their own. Is that the kind of person I want on my team?

Now partnering is a different story, though I've yet to figure out the right financial model to do this the right way

Like · Reply · 1 · Nov 14, 2015 5:36am



Ralph DiLena · Works at Charles Rutenberg Realty, Inc.

I've watched this trend for many years with KW being a leading and successful proponent of the concept, but I really have to question, to what end?

Yes there are synergies that can advance a team beyond the individual but how does that really play for the client? Is it just an egocentric approach by ambitious agents to achieve goals that truly benefit the team and industry more that the consumer.

I suppose that if one (team) can achieve Amazon like customer service, and deliver as promised then certainly that team has mastered what is required and would be able to deliver what today's con... See More

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