

# MARKET CENTRE OWNERSHIP

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**Becoming an  
Operating Principal**

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## Becoming an Operating Principal

- This guide is intended for potential Market Centre owners
- It introduces KW, our Philosophy, Culture, Mission and Models as well as our Market Centre organisational structure and investment guide

### Introduction to KW

In this introduction, we want to give you an overview of our story so far and why the company exists.

Gary Keller and Joe Williams started Keller Williams back in 1983 based on one principle, **'how high we go as a company will be determined by how high we lift our people'**. Gary wanted to create a company that everybody would want to join, and no-one would want to leave, he knew to do that he would have to build the whole company around what is **best for agents**.

Since then, following that robust principle, Keller Williams has developed relationship-based systems and models along with a culture that **helps agents create and grow their own businesses** and, as a result, KW has grown to be the largest real estate company in the world supporting over 190,000 agents in over 50 countries - that didn't happen by accident, it happened because everything about Keller Williams is based on what is **best for agents** – isn't that how it should be?

### The KW Model - Relationship-based

We want to support change in the way real estate business is done in the UK, moving it from **transactional based to relationship based**, the way it is done in most other places in the world. For clients, our associates become their go-to property person for life, adding value by following a robust value-add communication plan that will build that relationship and create trust. Each client then gets a consistent, outstanding service from an individual agent who really cares, is fully trained, an expert in their marketplace, and supported by great tech.

The KW model is not dissimilar to the way most self-employed mortgage consultants work in the UK, being their clients' go-to financial person meeting all of their financial services needs and once they are established, mostly working from referrals and recommendations – that model is well-proven.

Agents in the UK typically sell **all of their time** for a fairly low basic salary, then give their company the vast majority of the value of the transactions they generate, again typically keeping only 5%-15% for themselves, that makes it exceedingly difficult for them to generate any real wealth and achieve their goals.

Keller Williams wants to help agents generate wealth and achieve their goals by owning and driving their own businesses, by building and maintaining great relationships with their customers (whether or not they are actually transacting), being well-trained and supported on a proven model, retaining the majority of the income they generate (63%-100%), as well as **owning their data** and being able to **develop their own brand** – we feel that is a revolutionary agent experience with two important additional benefits of business ownership, **flexibility and autonomy**.

Our view is that building long-lasting, **mutually beneficial** relationships is just more fun, more enjoyable and more productive for customers and agents. The revolutionary difference being an agent associated with KW is that you focus on building relationships and building your own database of clients, then look after them by consistently adding value, in return they will look after you with their loyalty and advocacy – it's how relationships work!





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This philosophy also extends to the relationship between the associate and the Market Centre, we believe that we can only all win together – in line with the fundamental principle on which our company was built, we add value to our associates at every stage of their business development, with consultation and training being amongst the biggest value-adds.

KW has **revolutionised** an industry that has been trying to convince agents and consumers that it is a company's brand that is driving the business, when in reality **it's the agents**. We feel that KW is the best model in the world for estate agents - built for agents by agents – it is transformational.

### **Owning a Market Centre – how do they work – what do they provide?**

Firstly, a market centre is not a big Estate Agency Branch, it is a business hub that provides Estate Agency support services to agents. It is built

for **agents not customers**, its environment is designed to provide everything an agent needs to have a **successful business** and to be a **great place for agents** to work and receive some of their training.

The Market Centre Leadership Team provides: a great place to work alongside other agents, providing camaraderie and peer support, a great place to meet clients if agents want to, full portal access and support and a superb operating system and database for agents to build their businesses with.

Everything we do in our Market Centres is agent-centric and values based, for us it is all about helping agents grow their businesses using proven systems and models, helping them generate **wealth on every level** - by that we mean financial wealth, but also time, we believe that a wealth of time is a critical part of being wealthy.



## The Leadership Team

The Market Centre Leadership team is initially made up of an Operating Principal, a Market Centre Director and a Market Centre Manager, collectively they provide: a thorough and informative recruitment and joining process, a brilliant onboarding process, a great induction, full training on the business and the KW model, consultation and support to help agents build their businesses and importantly, a fun place to be!

### The Operating Principal

The Operating Principal is the business owner and the individual to whom a KW Market Centre Licence is granted. The OP has to demonstrate their suitability for the role during the journey as well as demonstrating sufficient, appropriate investment.

A great OP:

- Will genuinely care about people and like helping them
- Will have a good understanding of the property industry
- Will be an inspirational leader, able to attract and retain talent
- Have strong leadership, management and financial skills


The OP will be actively involved with the Market Centre on a full-time basis until it has reached at least 50 agents, at this point the OP may hand over the day-to day management of the Centre to the MCD. Most OPs at that point are looking towards their second Market Centre.

### The Market Centre Director

The Market Centre Director is responsible for Growth, essentially growth in agent count and growth in average production per agent. They will do this by focusing on Recruitment, Training, and Consultation

A great MCD:

- Grows the Market Centre using the tools of the Growth Initiative and the Career Growth Initiative
- Finds and attracts talent
- Recruits, trains, and consults associates
- Leads team meetings
- Attracts, retains, and leads the right MCM
- Trains and consults the MCM
- Holds MCM accountable
- Implements KW training in the Market Centre



*Agents that get great value from a Market Centre will never leave.*

### **The Market Centre Manager**

The Market Centre Manager is responsible for Retention, keeping the agents in production and ensuring they engage with the value-adding activities that the Market Centre provides.

A Great MCM:

Growth Initiative, Career Growth Initiative, Retention, Financial, and Support Systems

- Partners with the MCD to drive the Growth Initiative and Career Growth Initiative
- Demonstrates the value of the Market Centre by using the Growth Initiative's Value tools
- Keeps the Market Centre's books
- Maintains all accounting, agent, employee, and contract files
- Manages office systems
- Helps to keep the office and the Team Leader on track and productive
- Assists Team Leader with agent/employee orientation and training
- Attracts, retains, and leads the right staff members
- Trains and consults staff members
- Holds staff members accountable

### **The Opportunity**

The KW model is high volume low margin, this means that each agent individually contributes relatively little, but with a significant agent count (50+), a market centre will become a very profitable business opportunity.

The key is to ensure the agents have a great value proposition, some of this will be provided by the systems and tools that are provided as part of the Market Centre package, but the majority of it will be provided by the leadership team itself.

Each Market Centre Licence grants a territory for the Market Centre to operate in, a Market Centre can have agents from outside of the territory, but we know the model works best when the agents are local and can visit the market centre in person, this is where much of the value proposition will be delivered.

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### **The Financials**

There are many ways to structure an investment group, from an OP with no personal investment and requiring monthly income, to an OP who has sufficient funds without external investors – and every scenario in between.

As part of every OP journey we will complete a full financial plan, this will allow us to model your proposed market centre together and forecast investment level, growth and profitability. Each territory has sufficient transactions, at the local house price, to allow each market Centre to generate £1m in profit. This is usually reached at circa 100 agents.

### **Our Culture – our values, beliefs and practices – how we treat each other**

We believe that Our Culture is one of the key reasons for our success, we are passionate about caring for each other, our customers and our communities, it is an integral part of the way we do business. In essence, our culture is very much a culture of giving, we believe in giving back to each other and the communities we serve, always coming from a perspective of contribution.

Culture can be a difficult thing to define, to really get your head around, we define it as 'The result of organising the goals of a business around solid, positive, core values, and then proceeding to cultivate them daily.' Known more broadly as a system of values, beliefs and practices shared by a group of people.

To make it easier to cultivate daily, we have defined our company belief system, which is embedded at every level and introduced at onboarding. Shortened to WI4C2TES, it consists of the following elements: win-win, integrity, customers, commitment, communication, creativity, teamwork, trust, Equity and success.

A big part of our culture is also Our Mission, which is to help agents build - careers worth having, businesses worth owning, lives worth living, experiences worth giving and legacies worth leaving.

– we are constantly reminding ourselves of our mission and it guides most of the decisions we make.

Our business is very much like one big family.

## Training & Technology – your education and resources

Our company has been described by Gary Keller, as a Training company that just happens to be in the business of real estate - this focus on creating and delivering training at the very highest level has earned us the award of 'Best Training in the World' by Training Magazine and interestingly, while we are on the subject of awards, we have also been voted the No.1 happiest place to work by Forbes magazine, our Culture clearly has a big effect on that, but we also feel our Training & Personal Development Programme contributes significantly.

We have a many different courses within our programme, tailored to every stage of our associates' journey, from Ignite (our foundation course), all the way through to courses on how to build your team and grow your business to a place where you don't work every day.

More recently, Gary has changed his description of our company from a Training company to a Technology company, that's not to say we have let up on our focus on training, just that we recognise the significant importance of technology to support the effectiveness of our associates. We are investing \$1 billion in technology over the next 3 years and that innovation will be available to all our associates, that will become an increasingly significant reason in itself to be associated with KW.

The new technology is focused on providing agents and customers with a seamless end to end platform, but still being able to build in the experience and personal service of professional agents, to guide them through the sometimes confusing and intimidating process.

The same is true in other industries, doctors still treat patients, lawyers still argue court cases and estate agents will continue to help people move home. Technology has improved these professionals' ability to do their jobs, but it has not replaced them.

The technology we have in the UK is constantly developing and includes: **KW Agent**, a complete operating model for agents; **KW Nurture**, a pre-built personalised client nurture campaign; **KW Grow**, our social media based lead generation service and **KW AI**, a revolutionary way of harnessing AI in to social media marketing of properties and other services.

## Success – your personal journey

We want to help our associates **achieve their personal goals**, all of our efforts are ultimately with that aim in mind, be it training, personal development or consultation, we only get to achieve our goals, if our associates achieve theirs – our success is interdependent.

We always start our journey with agents we ask about their life, their career so far and your goals and dreams and ask, '**Is the model you are following in life, giving you the outcome you want?**' We then follow that up by asking more detail about their goals and dreams, particularly why they are important to you.


Once we have got a good understanding about them as a person and their goals, we can see if they are on track, if you're not, we will offer to **help you create a plan** to achieve them - it's not rocket science, but in our experience, many people don't have their goals written down or a plan to achieve them - we have a systematic way of building a plan, making it easy to really get clarity around your goals and your 'big why', create a plan and ultimately help you build the life that you want.

Once we have their plan in place, we will work with them, consulting and supporting them as required - we do however encourage everyone to have an accountability partner, we can be this partner for them if they wish, an accountability partner will (as the name suggests) hold them accountable to their plans and agreements. We find that this is a critical piece in the success puzzle, particularly with associates who have been employed previously and have always had a boss!

We very much believe in '**Cause and Effect**', we know from modelling that certain activities, done in a certain way, will always yield a predictable result, particularly when consistency and persistence are applied. This principle allows agents to define the effect they want and then design and build their cause.

Finally on the subject of success, we have a saying, '**you don't join KW for what you get, you join for who you become**', this is goes a bit further than achieving goals (what you get) and shows how you can also become the person you really want to be, we will encourage you to have goals outside of your business and define success in a number of different ways. Much of our training is based on this subject.





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### **The Future of our Industry – we are in a sea of change**

There has been lots of disruption in the property market in recent years, with the evolution of a whole new sector, namely the online/hybrid sector, along with the significant downsizing of some of the larger players.

With all of the uncertainty in the property world, it is important to focus on the underlying principles and not short-term trends when planning a long-term career, based on those underlying principles, we believe that the model that will be the most successful long-term in our industry, will be the one that delivers the **highest value to customers**.

Quite simply, we believe it will **always** be the **best agents**, not brands or computers, that will deliver the highest value to customers by building long-term relationships built on trust, that way it is more beneficial and more rewarding for both customers and agents.

We also believe that ultimately, the **best agents** will be attracted to work with the **model that is best** for them, why wouldn't they?

Therefore quite simply we believe the Model that is likely to be most successful long-term will be the one that is the **best for agents**.

We feel that it is best for agents to: be **Business Owners** with **flexible working**, **own their own database**, be able to **develop their own brand**, receive the **majority of the income** they generate and operate a **low-cost proven model** – that is why our business is designed specifically to deliver all of those elements to our associates, as well as ensuring they are **supported** and **nurtured** on their journey by an experienced, innovative, forward-thinking team.

The KW model is very much in the traditional **full-service estate agency** arena, believing in super-personal service, we just don't tend to have high street branches - we are definitely not a low fee online/hybrid model, in fact we couldn't be further away from it.

The KW model is flexible, self-employed and low-cost, it rewards agents that build long-term relationships and add value – **we understand that it is agents that sell and rent properties, not brands**. Agents can work as many or as few hours as they wish and have as much or as little training as they want and build their businesses to be as small or large as they want.

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