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TRENDS

T3 60

Extract: Trend 7
Branch Manager Magic
and How to Find It

2022

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	Real Estate Almanac (2021)
2020	Swanepoel Trends Report (2021)
	Real Estate Almanac (2020)
	The Impact of Automated Digital Listing Marketing
2019	Swanepoel Trends Report (2020)
	MLS 2022 Agenda
	Swanepoel Mega 1000 (2019)
2018	Swanepoel Power 200 (2019)
	Bringing Open Houses into the Digital Age
	Swanepoel Trends Report (2019)
	Important MLS Issues Answered
	Swanepoel Mega 1000
	Swanepoel Trends Report (2018)
	Swanepoel Power 200 (2018)
2017	MLS 2020 Agenda
	Commercial Real Estate ALERT
	Finding New Clarity
	Winning on the Web
	Swanepoel Trends Report (2017)
	Swanepoel Power 200 (2017)
2016	Homeowner Insights
	Digitization of the Home Buying Process
	DANGER Report Canada
	Swanepoel Trends Report (2016)
	Swanepoel Power 200 (2016)
1997–2015	Swanepoel Trends Report (2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006)
	Swanepoel Power 200 (2015, 2014)
	T3 Risk Guide
	DANGER Report USA
	T3 Tech Guide
	Swanepoel Social Media Report (2010)
	Real Estate Confronts Agent Reviews (2014)
	Real Estate Confronts Goal Setting vs. Business Planning (2005)
	Real Estate Confronts Bundled Services (2005)
	Real Estate Confronts Customer Acquisition (2004)
	Real Estate Confronts the Future (2004)
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	Real Estate Confronts Technology (1999)
	Real Estate Confronts Reality (1997)

7 Branch Manager Magic and How to Find It

How to hire and retain for this critical brokerage role

As brokerages get bigger and more sophisticated, the branch manager role is becoming even more vital than ever, and great branch managers are difficult to find and harder to keep. Branch managers are responsible for many key responsibilities including recruiting, retention and overall sales growth. This chapter provides a deep dive into their role, how to find talented branch managers, which remain key to navigating growth and maximizing profits.

The Branch Manager Role

Branch managers are critical to drive production, establish culture, execute recruiting and increase sales at the office level of a brokerage. Although different brokerages use a variety of terms to describe the branch manager role and vary their responsibilities, a management-level person exists in basically every brokerage office whose primary responsibility deals with leading and growing the branch. That person, in the definition of this chapter, is a branch manager.

Typically, a single branch manager manages between 75 to 100 agents. If an office has more than that upper range, managers often add support staff or the brokerage divides duties between two or more managers to keep the manager-to-agent ratio manageable. For offices with fewer than approximately 75 agents, the owner typically takes on the role in addition to their other duties.

Historically, many branch managers were former agents who had some previous business experience, or a particular passion or skill at managing agents, and then chose to take on the management role. Increasingly, candidates come from outside the industry, with proven organizational and leadership skills. Generally speaking, good branch managers are found, not developed.

Branch managers are usually responsible for the following key tasks:

1. Increase net agent count (recruiting and retention).
2. Increase per-agent productivity through education, training and coaching.
3. Monitor compliance and risk management to reduce legal costs and exposure.
4. Provide overall leadership for all agents as a group.
5. Drive profitability.

Branch Manager Best Practices

As with any job, branch managers excel when the right person fills the correctly defined job.

Successful Branch Manager Key Attributes

"Branch managers are critical to drive production, establish culture, execute recruiting and increase sales."

A successful branch manager is a unique individual – someone who can recruit, with strong sales and management skills, and the ability to coach agents to higher levels of success than they might think possible.

This is why choosing the right person to fill the role can be the difference between finding someone good at the job versus someone great at it. The best branch managers are usually driven professionals who have an appetite for achievement and a love for people.

The best branch managers are leaders who:
- Create and develop relationships and build trust with the core group of agents.
- Lead brokerage recruiting and growth activities by influencing and helping others achieve their goals.
- Lead by example and help agents achieve higher levels of productivity.
- Help grow the organization through increasing sales volume and agent count while creating operational efficiencies that scale.
- Have demonstrated success running a company and knows how to leverage themselves through people, systems and tools.

- Have leadership skills, intelligence, the ability to handle pressure yet move fast and follow through on their commitments.
- Are high performers, yet have the patience to develop agents.
- Have proven organizational skills including goal setting and planning ability at a leadership level.
- Do not give up easily and can collaborate with a team and others in the industry.
- Possess the ability to make decisions quickly and with data.
- Interact with a multitude of people in different roles. This requires excellent verbal and written communication skills in addition to top-notch listening and coaching skills.

Branch Manager Keys to Success

Here are some proven practices branch managers can employ to find success:
- Hold weekly sales meetings with a specific agenda.
- Be a good listener and overall support for their agents.
- Help agents create individual plans and coach them to success.
- Develop short- and long-term plans to increase production.
- Train agents on new systems and technologies.
- Serve as an accountability coach for the agents.

To provide real-life examples, T3 Sixty reached out to two successful branch managers to profile how they work, the systems they rely on, how they have found success and some of the attributes they demonstrate.

"Tailor the branch manager role to the phase of the business, the particular business model and the current growth trajectory."

Gina Van Benthuysen

Van Benthuysen has over 15 years as a branch manager. In a five-year stint (2016-June 2021) with her previous company in North Carolina, she doubled net agent from 200 to 400, company dollar and profit share, and built the largest listing portfolio of any office in the local MLS.

In June 2021, she joined Compass to lead its newly established branch in Raleigh, North Carolina, and currently manages 150 agents.

Branch manager best practices offered by Van Benthuysen:
- Lead by modeling what agents should be doing in their business, by using planning, systems and consistency to

produce results.
- Create a new agenda for each weekly meeting and focus on what agents want to achieve and how they can use brokerage tools and resources to do so.
- Focus on helping agents fulfill their long-term career objectives.
- Tailor coaching to an agent's personality and what they need. Some want accountability, others do not.
- Develop a reputation that attracts other agents by building trust and following through.
- Create a team environment with a healthy culture.
- Be a clear communicator and a good listener.
- Make sure agents know you're in their court through the good times and the bad.
- Maintain a bottom-up mentality.
- Agents are a branch manager's clients, and should be treated as such.

Shawna Moore

Moore started her branch manager career in 2016 by serving as operations manager for a team. In December 2019, she became branch manager of Keller Williams Realty Murfreesboro (Murfreesboro, Tennessee). In 2020, she recruited 100 agents to the office. She has created a recruiting system that consistently attracts approximately 20 agents per month. In addition, she cut the office's attrition rate in half, from approximately 40 percent to 20 percent, and as of August 2021, manages 245 agents in her role.

Branch manager best practices offered by Moore:
- Develop a clear vision that agents and staff can rally behind.
- Help agents define and work toward personal and professional goals.
- Put agents' needs first, which increases retention and leads to more recruiting referrals.
- Develop a council of agents who function as the ears and eyes of the broader agent community. This council helps identify needs and wants which ensures a bottom-up approach.
- Help agents grow with scalable systems and processes.
- Model the lead-generation practices through recruiting that agents can follow.
- Reach out to every agent periodically. Shawna and her leadership team call every single agent six times per year with details tracked in a company CRM.

- Focus on learning, make adjustments and pivot as needed.
- Operate with a growth mindset.
- Do not be afraid to fail forward.

Branch Manager Types

All companies grow and change and the branch manager role evolves based on those shifts as well. Some of the key factors that change for brokerages and offices include size, technology, systems, business model and growth stage. To shed light on how needs differ and how companies should tailor their branch manager role to their specific circumstance, T3 Sixty analyzed the role as it applies to the growth stage of a brokerage.

There are three primary growth phases for brokerages to consider when determining the branch manager role: Startup, Growth and Maturity. At each business phase, the company operations become more complex and build on the prior phase. They are presented below along with the branch manager personas that apply to each.

At each phase of business growth, the type of branch manager needed will evolve. Note that the prior phase's activities are not re-

placed with the current phase; they are still important and in effect; the current business phase simply has a different focus.

The ideal branch manager at each phase of growth has certain characteristics. T3 Sixty refers to these as branch manager perso-nas and they can be used as a guide for owners and executives to examine the leadership talent they need as they continue to grow.

Branch Manager Business Domains by Business Phase

Business Phase	Startup	Growth	Maturity
Systems	Create and Establish	Document and Scale	Optimize and Improve
Recruitment and Retention	Personal Practices	Repeatable Systems	Company Recruiting Programs
Management	Self and Agents	Small Staff with Multiple Roles	Large Staff with Dedicated Roles
Finance and Accounting	Profit and Loss Cash Flow	Invest in Systems and Manage Growth	Capital Investment, M&A, Valuation
Leadership Focus	The Agents	The Organization	The Market

Source: T3 Sixty

Branch Manager Persona

Startup Sally

Sally is a risk-taker and has demonstrated experience starting and launching businesses or projects. She started her real estate career with a bang; within 12 months of launching, she was one of the top agents in her office.

She created basic systems while leveraging marketing and tools to find success as an individual performer. Sally knows that she could build her real estate business, but she is looking for something more challenging. She likes to start new things and gets bored easily. She has enough real estate transaction experience that she can help other agents, which she enjoys. After 24 months as an agent, she is already bored helping buyers and sellers. She would like to be part of building and creating a business.

Sally worked in another industry prior to real estate and brings advanced business skills, personal discipline and focus from that experience. She's competitive and understands the value proposition of the company. She models the value proposition, which attracts the right type of agents to build culture. She builds relationships and enjoys helping other agents become successful. She rallies others, has deep passion, conviction and can express the future possibilities for people to see and buy into. She is collaborative, persuasive, builds coalitions and customer relationships. People want to follow Sally as they believe their future will be better with her and the organization.

Startup

Starting a new branch, or any new business, is risky. Often people have new roles, systems can be untested and unproven, revenue may be thin and the business, almost by definition, has not yet established staying power. When starting a branch, or a relatively new business, finding the right manager often determines success or failure. This phase of growth is called the startup phase because owners and managers spend most of their time bringing the business to life.

The branch manager's role at this stage centers on recruiting agents, which shapes revenue, company culture and overall success. The person in this role wears many hats and is responsible for establishing the brokerage brand and reputation at the local level while promoting brand awareness.

Key attributes for startup branch managers:
- Focused on personal recruitment practices and helping agents become successful at the company.
- Leverages diverse business skills and has the ability to dive in and adjust as needed.
- Can design and create new things.
- Can wear many hats and is able to pivot quickly.
- Bonus capabilities: Has established relationships they can bring to a smaller or new company.

Branch Manager Persona

Growth George

George has been in real estate for over five years, and was successful as a listing agent. He started investigating management roles several years ago, and a larger company recruited him for management. He has previous experience working as a manager in the real estate industry or another industry and is ready to move to larger leadership role in the real estate industry. He wants to grow a smaller, earlier-stage operation.

George is well connected to the local agent community; he is a good producer and is an active part of the local real estate community. He has experience managing staff and different levels of an organization. He is good at hiring and has connections with staff that he can bring to the organization. George understands real estate marketing and is accustomed to running a sales funnel and can create a marketing strategy for the organization. He will systematize recruiting by creating and implementing marketing strategies, calling prospective recruits, and networking to build a funnel of recruits. This is how he ran his listing business, and now he applies it to recruiting.

George is seen as very well organized by his peers and creates structure wherever he goes. People want his help to create systems to grow their business. Agents look to him as a source for training, coaching and mentoring them to higher levels of success. George is seen as someone who has led and managed high-growth companies.

Growth

A branch or brokerage enters the growth phase when its business plan is working. It attracts productive agents and continues to grow because of the value the brokerage offers. Indicators of growth are revenue and margins are increasing, brand awareness has been established, and market share and the customer base are growing. The firm has gained momentum from recruiting the right agents with the right value proposition and the resulting momentum has compounded into rapid growth.

The branch manager for a brokerage in the business growth phase must manage more complexity and be able to develop the organization. Rapid growth leads to revenue expansion, increased agent count, more costs and more transactions, which requires more staff, better systems and the ability to maximize growth. At this business phase, successful branch managers set goals, manage profit-and-loss statements, forecast revenue, commission and cash flow, invest in systems to gain efficiency, and manage vendor relationships and partnerships while continuing to grow. This requires a more experienced leader.

Key attributes for branch managers in growth:
- Establishes key systems for ongoing recruitment and retention and other key business areas such as compliance and finance.
- Documents processes so others can take over tasks.
- Hires and trains staff to handle specific areas.
- Bonus capabilities: Significant experience with a specific business discourse, like marketing, finance, technology or training that they leverage to improve the business.
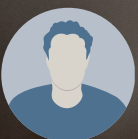
Branch Manager Persona

Mature Melissa

Melissa has been in the business for over a decade, and has been successful as a real estate agent, but found that her passion is developing organizations, staff and agents. She moved into management several years ago and has been recruited by several companies to grow their firms. She has successfully recruited many agents in her career and has a strong set of agent relationships she can bring to any firm.

She enjoys helping other agents succeed and other agents often ask her for help; she has a desire to share her knowledge and help others grow. She has been responsible for all aspects of running offices in her previous positions, including staffing, finance and marketing. Melissa is good at seeing what is next and does not get entrenched in what was done in the past. She can navigate the day-to-day distractions and stay focused on the big picture. Melissa is able to help her team and agents see the big picture and gets buy-in for new areas of business and market expansion.

Melissa is a frequently requested trainer at the local Realtor association and has built good relationships in the broader real estate community. She is seen as a trusted and valued leader, and people view her as successful, reliable and trustworthy. People like working for Melissa.

Maturity

The business maturity phase has more safety and security than the other phases. The business has been established; it has the systems, tools and people needed to reach and maintain maturity. It has a foundation of systems, tools and people that provide continued opportunity for profitability, market expansion and long-term growth. This business phase requires a branch manager who can lead and maintain the existing business while continuing to grow and innovate. This could include market expansion into affiliated services, mergers and acquisitions or specific recruiting programs targeting new agents and teams.

This phase comes with the risk of stagnation. The branch manager at this phase must continue to increase market penetration and look for new partnerships and innovations. This requires a more experienced business leader who can identify new areas of expansion or opportunities to improve the existing business.

Key attributes for branch managers in the maturity phase:
- Strategic vision and the ability to forecast new ways to develop business.
- Ability to identify areas in the business for improvement, set goals for them, and design plans of action to improve the business structurally.
- Excellent at managing others and ensures systems continue to improve and scale.
- Bonus Capabilities: A well respected public profile and attracts other talented managers to work for the company.

How to Find and Hire a Great Branch Manager

Below is a step-by-step strategy for how to find and hire a great branch manager that can help a brokerage grow and thrive.

Develop a Job Description

Before bringing on a new branch manager, it is important to clearly define the job description and outline the key features and requirements of the role. The narrative should include several elements, including a job summary, key performance indicators (KPIs), roles and responsibilities, minimum requirements and a candidate profile.

Companies should tailor the role and job description to the phase of their business, their particular model and their growth trajectory.

Job Summary

The branch manager is an operational leader that focuses on the success and productivity of the agents and the service level of

the branch. The person in this role is responsible for growing the branch by recruiting, coaching and retention of agents. The successful candidate is someone who has a proven track record of recruiting experienced agents while increasing retention, per person productivity, total sales volume and total units sold.

Key Performance Indicators

The primary KPIs branch managers are responsible for:
- KPI No. 1 – Increase per-agent productivity
- KPI No. 2 – Recruiting, increase net agent count
- KPI No. 3 – Grow sales and unit volume

Minimum Requirements

The minimum requirements for a branch manager role are as follows:
- Have an active broker license
- 3-plus years real estate agent experience
- 3-plus years of recruiting experience
- 3-plus years of management experience including operations and compliance
- Brokerage leadership experience preferred
- Demonstrated real estate recruiting experience preferred
- Skills and behaviors match the business stage of the brokerage and office

Candidate Profile

Creating a candidate profile reduces the subjectiveness of the hiring process by identifying the specific characteristics that help ensure that the person hired can perform the branch manager role at the highest level. The candidate profile also makes it easier to compare candidates when interviewing. By focusing on these, and not just job skill, companies can target branch managers who will fit and accelerate company culture.

"The candidate profile also makes it easier to compare candidates when interviewing."

Sample Candidate Profile

This role is responsible for leading and growing the organization in collaboration with the regional manager or owner. The ideal person for this role is someone who demonstrates leadership ability plus the knowledge, attitudes, skills and habits of a high performer. A leader who can create relationships and build trust with the core

group of agents. A person who can lead brokerage recruiting and growth activities by influencing and helping others achieve their goals. Someone who leads by example and helps agents achieve higher levels of performance. A leader that can help grow the organization through enhancing performance, increasing agent count and creating operational efficiencies that scale.

To be successful in this role, the ideal candidate will have demonstrated success running a company and knows how to leverage themselves through people, systems and tools. He or she must possess leadership skills, intelligence, handle pressure well, while remaining calm and patient. He or she must have proven organizational skills including goal setting and planning ability at a leadership level.

"The ideal person would thrive on this type of environment, seek challenges, adapt to change easily and be tenacious."

This is a high-intensity role and requires the ability to work in a deadline-driven, fast-paced environment. The ideal person would thrive on this type of environment, seek challenges, adapt to change easily and be tenacious. The ideal candidate does not give up easily and can collaborate with a team and others in the industry. This person is calm under pressure yet moves fast and follows through on commitments. The ability to make decisions quickly and with data is critical. This role interacts with a multitude of people in different roles and requires excellent verbal and written communication skills in addition to top-notch listening and coaching skills.

Determine Compensation

Remember, incentives help drive behavior and KPIs play an important part in determining the ideal compensation plan that should include a base salary with a performance-based incentive.

Average base salaries range from $100,000 to $150,000, depending on the market and office size. The performance-based incentive should provide the person an opportunity to earn 100 percent of their base salary based on performance. This performance bonus can be structured in a variety of ways. Two examples follow:

- **Incentive 1:** Tie the incentive to a share of the company dollar from the agents that the manager recruits. The manager could, for example, receive 20 percent of that company dollar until a threshold and then a larger percentage at higher levels.
- **Incentive 2:** Tie the incentive to office annual profit. This

should also be tiered, with managers possibly earning 10 percent share of office profit up to $250,000, 15 percent for from $250,000 to $500,000 profit, 20 percent from $500,000 to $750,000 profit and so on.

These incentive structures will motivate branch managers to continue to increase performance and profitability.

Use a Structured Hiring Process

Once the job description, candidate profile and compensation are finalized, it's important to take job candidates through a structured hiring process. Using a hiring process reduces the subjectiveness of what tends to be a highly subjective process, and is key to determining if a possible candidate fits the company culture. By taking each candidate through a similar process, it makes it easy to determine if the opportunity is the right fit for all parties.

Leverage Prominent Candidate Sources

One of the most difficult parts of the hiring process is finding talented branch manager candidates.

There are numerous resources, or what T3 Sixty calls Talent Generators, available to find such candidates. The decision depends on budget, position level, specializations required and the amount of time available to make the hire.

The best five talent generators for branch managers are:
1. Network of personal and professional allies
2. Referrals from company employees and agents
3. Executive recruiting companies
4. Social media platforms
5. Online job sites such as LinkedIn and Indeed

Takeaway

A successful branch manager that consistently meets objectives and targets is typically motivated by growth. A well-designed compensation plan that provides strong incentives for growth is one of the most effective ways to keep them.

A growth-oriented manager will also want to know what their career path past the branch manager role looks like, as many people burn out of the position after a couple of years. Another important element for most branch managers is mentorship or coaching from other leaders in the company or industry.

The key to retaining high performers involves the following:
• Providing competitive compensation (performance-based) and benefits
• Providing ongoing career development opportunities
• Offering mentorship
• Creating a culture of open communication, trust and transparency
• Celebrating achievements
• Providing vision and a clear career path
• Helping them monitor and track goal progress
• Helping them achieve their personal and professional goals

As the brokerage industry gets more mature and requires more fiscal responsibility and skill, the branch manager role will only become more important and integral to a company's overall success. It has always been a challenging role to fill and will likely only become more demanding.

That is why brokerage leaders need to invest more time upfront to find the most suitable person – with the skills and behavior that meet the company's growth needs – to help grow and operate their offices efficiently. Company agents will be happier and more productive, the business will be more profitable, and owners and leaders will have fewer headaches.

Contributor

Kelly White. Kelly serves as executive vice president of T3 Talent, a division of T3 Sixty. Passionate about helping people, Kelly has assisted many clients in finding, attracting and hiring top talent through extensive executive searches and streamlined hiring processes. She has over 25 years of experience training, coaching and helping develop strategic visions for individuals and businesses. Kelly has a B.A. in Marketing from the University of Texas.

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Since 1997, we have identified and analyzed hundreds of trends, business models and shifts that have impacted the residential real estate industry. Many were accurately detailed years before they became part of the mainstream.

Our suite of regular reports and studies include the following:

- Swanepoel Trends Report (annually since 2006)
- Technology Guides (biannually since 2010)
- SP 200 (annually since 2014)
- Mega 1000 (annually since 2018)
- Real Estate Almanac (annually since 2020)

We have also published dozens of white papers and case studies since 1999, including major national studies such as:

- The Definitive Analysis of Negative Game Changers Emerging in Real Estate (DANGER Report)
- The Canadian DANGER Report
- The Commercial Real Estate Analysis of the Latest Emerging Risks and Trends (CRE ALERT)
- The MLS 2020 Agenda
- The MLS 2022 Agenda

T3 Sixty doesn't create the news. We don't report the news. We analyze the news, understand why it happens and what impact it may have. We help reduce the noise in the real estate industry so you can make better decisions.

Understanding innovation, change and new business models in real estate, especially before the rest of your competition does, enables you to create strategies that give you an advantage. Countless companies have ignored change and suffered the consequences. Don't be one of them.

Although no one can exactly predict the future, you can find double-digit growth if you know where to look. Constant exploration and systematic analysis provides insights that can be as valuable as market intelligence, if not more so.

And that is what T3 Sixty provides business leaders: a multi-disciplined and experienced consulting team focused on finding the answers and solving problems.

If you would like to discover how you can leverage T3 Sixty to your benefit, let's have a confidential conversation to explore your options.