



SELLSTATE

The Sellstate Broker Handbook

Simple Steps for Success

Table of Contents

The Sellstate Broker Handbook	1
Table of Contents	2
Introduction	3
The Daily Task List	3
Mergers and Acquisitions	4
Facts to Consider	4
The Process	4
The Initial Letter	4
Target Areas	5
The Follow Up	5
Steps to Follow:	6
Agent Asset Development	7
Leverage through Your Agents	7
Agent Assistance	7
Steps to Follow:	9
Affiliate Sponsoring Program	10
The Process	10
Educate Yourself	10
Contact Measures	10
Results	11
Steps to Follow:	12
Appendix A – Merger Letter A	13
Appendix B – Merger Letter B	14
Appendix C – Affiliate Sponsoring Program Rules	15
Appendix D – Affiliate Sponsoring Letter	17
Appendix E – Affiliate Sponsoring Program F.A.Q.	18

Introduction

You might well remember that nothing can bring you success but yourself.

Before success comes in any man's life, he's sure to meet much temporary defeat and, perhaps some failures. When defeat overcomes a man, the easiest and most logical thing to do is quit. That's exactly what the majority of men do.

If you cannot do great things, do small things in a great way.

It is literally true that you can succeed best and quickest by helping others to succeed.

A goal is a dream with a deadline.

Napoleon Hill

The Daily Task List

There are numerous opportunities for expansion. This manual outlines three (3) effective ways to expand your business by leveraging yourself through those around you as well as allowing you to grow by groups of agents at a time. Use this as your daily guide and you will begin to see results that will surpass your highest expectations.

Mergers and Acquisitions

Facts to Consider

Consider the many benefits of acquisitions and mergers in your quest to increase the size of your company. The growth potential is enormous and an increase in your total number of sales persons can be achieved in a significantly shorter period of time than by the typical efforts to recruit on an individual basis.

There are a number of important considerations associated with the acquisition and merger process. Do not be unduly influenced by the fact that a competing office has a large roster. The owner of such an office would be quick to use such a roster to his or her advantage in the bargaining process. Remember, however, that many brokers are carrying agents who are not productive as well as the associated burden of a higher overhead. You would be well advised to recognize this possibility and use it to your advantage. The many benefits of joining your office should be addressed, including, but not limited to, a significant reduction in expenditures and workload. These are important factors that serve to influence the mindset of the other company's broker/owner.

Another advantage of your method of operation is the benefits derived from the Agent Asset Development (AAD) program. It is important to point out to the broker/owner the definite possibility of continuing to profit from his/her agents. In some cases, an actual increase in profit may be realized as five percent (5%) net per agent is not realized under the setup currently utilized.

The AAD program also assists with the transition process as it allows the broker to move agents, retain leads, eliminate the worry often associated with real estate transactions, all the while continuing to earn income.

The Process

The Initial Letter

The preliminary step in the mergers and acquisitions process is to contact the potential broker/owner by letter. The letter need not be lengthy or detailed. The sole purpose of this correspondence is to establish an initial contact. Examples of merger letters can be found in [Appendix A \(Merger Letter A\)](#) and [Appendix B \(Merger Letter B\)](#).

Ultimately, it should be your objective to contact every competing brokerage in your area. Although this may seem overly ambitious, remember, you do not have access to personal information or financial records of your competitors and therefore should not

make assumptions about the success of their businesses based strictly on number of agents or transactions.

Target Areas

The best way to approach the mergers and acquisitions process is to define your target area by breaking it up into groups. A group can be established based on a common, distinguishing characteristic such as agent population. Other common characteristics include building square footage and fixed overhead. Once you select your method of defining these groups it will be much easier to tailor your correspondence accordingly.

Once you have organized your list, begin with the first group and proceed to contact each subsequent group. For example, you may elect to begin by contacting those brokers having less than twenty (20) agents, followed by a second group of brokers with twenty (20) to forty (40) agents and so on.

To achieve optimum results with this process you should send out, at very minimum, anywhere from five (5) to twenty (20) letters, depending on the sizes of your target area and defined groups.

The Follow Up

It is imperative to understand that the initial written correspondence is not likely to achieve results of any significance without any accompanying telephone call. The letter serves to introduce the concept of a merger or acquisition and alert the owner/broker to the possibility. For numerous reasons, among the foremost, pride and ego, the recipients of the letters will not directly contact you. Your telephone call to them is crucial and is made much easier by virtue of the fact that you initiated contact by way of letter. It is also extremely important to make the follow up calls a week from the date the letter was sent, while the concept is still fresh in the mind of the recipient.

The primary purpose of the telephone call is to set up an initial appointment. The tone of the call will vary based on the individual broker's personal situation and mindset. Utilize the letter you forwarded as a starting point and evaluate the direction of the conversation. Initially, you may be met with some resistance. This is to be expected. Pursue the conversation to determine the chances of success. Center the conversation on the other broker. Try to assess his/her situation and determine the needs of the individual. Once you have developed a better understanding of the situation, you may work at setting up an initial appointment.

Steps to Follow:

1. Define your target area by breaking it up into groups.
2. Prepare correspondence that is either tailored to individual groups or generic in nature.
3. Send letters, a group at a time.
4. Follow up with a telephone call.

Agent Asset Development

Leverage through Your Agents

One of the most overlooked methods to achieve business growth is through the Agent Asset Development (AAD) Program. Every one of your agents has the ability to benefit directly from the growth of the office, yet many of them need further encouragement in order to take full advantage of the program.

The most effective way that your agents can contribute to the growth of your business is to bring other agents into the company. The more an agent takes advantage of the AAD program, the more he or she will benefit. The key to getting the agents actively involved in developing their individual AAD programs is to establish specific guidelines with measurable commitments. For example, an agent could agree to provide you with two (2) interviews per week. This provides both a date and activity that are measurable. The best way to motivate your agents is to sit down with them on an individual basis to develop an arrangement that is mutually beneficial. The needs of your agents differ and it is important to identify the strengths that will assist the growth of your business. Agents can contribute in varying capacities. For example, a certain individual may excel at call prospecting. This person can arrange appointments for you by simply making telephone calls for an hour each day. Another agent may be well connected with establishments that provide real estate educational programs.

Meeting with your agents, one on one, at least every three (3) to four (4) months will serve a useful purpose. As you maintain contact with your agents, you not only are able to assist them with the plans you have developed but also, hold them accountable for their own success. This mutually beneficial arrangement contributes to the growth of your business and the productivity of your sales persons.

Agent Assistance

The most effective way to help your agents become more productive is to determine the areas in which they require assistance. The best way to identify these needs is to meet them on an individual basis.

The discussion should centre on the agent's current method of conducting business to determine its strengths and weaknesses. A prevalent area in which agents require help is the establishment and maintenance of a productive business plan. The objective is to set up a business plan that involves accountability. Once a plan has been developed, set up specific dates and times to either call or meet to ensure the agent's adherence to the plan. This will serve to increase the productivity of your agents and provide you the

opportunity to provide assistance on an as needed basis. This form of communication will benefit all parties.

Steps to Follow:

1. Meet with your agents one on one.
2. Find a mutually beneficial arrangement that involves them assisting with the recruitment of new agents.
3. Hold your agents accountable to the arrangements made.

Affiliate Sponsoring Program

The Process

Educate Yourself

The Affiliate Sponsoring Program (ASP) is a great way to leverage your company through other companies that are affiliated with real estate. One thing that must be kept in mind when dealing with affiliates is that in many cases, people will not understand the Affiliate Program and will either show no interest in it or fear that it is an illegal program. If you are not already fully informed about the program, be sure to familiarize yourself with it well enough to be able to explain it to others. You may find the Affiliate Sponsoring Program Rules and Frequently Asked Questions regarding the Affiliate Sponsoring Program in [Appendix C \(Affiliate Sponsoring Program Rules\)](#) and [Appendix E \(Affiliate Sponsoring Program F.A.Q.\)](#)

Contact Measures

Every time an affiliate company approaches your company to conduct business, be sure to take a moment to go through the Affiliate Sponsoring Program with them. This is the easiest way to get the information out to the public.

Another very effective way to inform businesses about the Affiliate Sponsoring Program is by sending out written correspondence. The letter itself does not have to be lengthy or detailed. In fact, a brief overview of how the program works is usually sufficient. Keep in mind, the only purpose of the letter is to attract interest prior to establishing further contact by way of telephone.

An example of an Affiliate Sponsoring Letter can be found in [Appendix D \(Affiliate Sponsoring Letter\)](#).

The Affiliate Sponsoring Program correspondence should be addressed to all affiliates in the area. There is no specific criterion to define an affiliate beyond anyone who can assist the growth of your company i.e., anyone who is in contact with real estate agents on a regular basis.

The best way to approach the Affiliate Sponsoring process is to divide your target area into groups. These groups would include mortgage companies, law firms, title companies etc. No matter how you define these groups, you will find that by segmenting the groups you will be able to specifically tailor your letters.

Once you have your groups established, begin sending correspondence to the first group. Once you have completed the first group, proceed to the second group and continue down your predetermined list of contacts.

Results

To achieve optimum results, you should send out at the very minimum anywhere from ten (10) to fifty (50) letters per week depending on your target area and defined groups.

Because many people will not understand or appreciate the earning potential of the Affiliate Sponsoring Program, it is essential that the letters be followed up by a telephone call. In many cases it will be necessary to explain the legalities of the program so once again, be sure to familiarize yourself with all aspects of the program.

It is important to make the follow up telephone calls one week after the letters have been sent while the concept is still fresh in the minds of the recipients.

The primary purpose of the call is to explain and promote the program. In many cases it may be beneficial to arrange an appointment to discuss the program in greater detail and to plan the best approach for the affiliate to begin promoting the program.

Often times, the call will be for the purpose of answering questions about the program. Do not be discouraged if there are many questions and skepticism about the program is evident. Because of the dynamic nature of the program, interest will be generated and there will definitely be the need for clarification of many of the rules. Remember to keep your explanation of the program as simple as possible that will be the most effective way to attract interest.

Steps to Follow:

1. Familiarize yourself with the program.
2. Discuss the program at every opportunity.
3. Define target market by dividing all possible affiliates into groups.
4. Send out correspondence, group by group, inviting interest in the program.

Appendix A – Merger Letter A

Independent Broker

As we all know, the past couple of years have brought about a drastic slowdown in the local real estate market. It is becoming increasingly difficult to maintain steady profit levels and agents continue to leave the business on a daily basis.

Although there is nothing we can do about the slowing market, there are things that we can do to ensure profitability during these tough times. By combining efforts and eliminating overhead costs such as rent, advertising and administration, we can increase profitability for all involved.

At this time Sellstate (*Office Name*) Realty is seeking successful, dynamic, open minded individuals to merge together to create a stronger, more efficient office.

With our Sellstate Agent Asset Development (AAD) Program you will be afforded the ability to continue to earn income from your agents for life without incurring overhead costs and at the same time, maximize your personal income.

If this proposal is of interest to you, please call us to discuss it in further detail. A few minutes of your time may result in a mutually beneficial and rewarding result. Rest assured that any inquiry will remain in the strictest confidence. Thank you in advance for your consideration of this opportunity.

Appendix B – Merger Letter B

Mr. Smith, Broker
123 Somewhere Blvd
Fort Myers , FL 33907

Dear Mr. Smith,

My name is _____ and I am the broker/owner of Sellstate _____ Realty Network. I am interested in setting up an appointment with you to discuss a possible merger with your real estate company.

Due to the sensitive nature of our meeting, confidentiality on both sides is both expected and assured.

I look forward to hearing from you in the near future.

Sincerely,

SELLSTATE _____ REALTY NETWORK

(include signature here)

Your name
Broker/Owner
____@sellstate.com

Appendix C – Affiliate Sponsoring Program Rules

Affiliate Sponsoring Program

Affiliate Sponsoring Program® is a revenue sharing program for individuals affiliated with **SELLSTATE REALTY SYSTEMS NETWORK, INC.** Those eligible to participate in the Affiliate Sponsoring Program, are those specifically approved in writing by Sellstate Realty Systems Network, Inc. While only natural persons are allowed to participate in the Affiliate Sponsoring Program, if a salesperson is an entity, its partners, shareholders, members, or other owners, can participate. The Affiliate Sponsoring Program income is derived from the 5% of the gross commission portion of the royalty income received by Sellstate Realty Systems Network, Inc. from its franchisees. The royalty is based on the gross commission income as defined in the Franchise Agreement of each franchisee and the franchisee's salespersons, whether they are direct employees of the franchisee or are working with the franchised Sellstate office on a contract basis.

Each Sellstate franchisee pays a royalty fee of 5% to Sellstate Realty Systems Network, Inc. based on the gross commission income generated by each principal and sales associate of the franchisee, as specified in the Franchise Agreement signed by each franchisee. ONLY this 5% royalty income that is received by Sellstate Realty Systems Network, Inc. is placed in the Affiliate Sponsoring Program and the Agent Asset development fund. ALL OTHER ROYALTY INCOME RECEIVED IS RETAINED BY SELLSTATE REALTY SYSTEMS NETWORK INC.

At the time a person becomes eligible to participate in the Affiliate Sponsoring Program he or she must complete the Affiliate Sponsoring Program membership participation form in the manner we specify. The Franchisee and the eligible person must both agree who is the eligible person's referring sponsor. The participant does not have to work for the Sellstate office or franchisee with which his or her sponsor is affiliated. Once a participant has selected his or her sponsor changes in sponsorship are not allowed.

Agents sponsored in the Affiliate Sponsoring Program may build their network by sponsoring other agents to Sellstate through the Agent Asset Development Program.

Upon a participant becoming affiliated with a franchisee's Sellstate office, it is the responsibility of that franchisee to promptly provide to Sellstate Realty Systems Network, Inc. an Affiliate Sponsoring Program membership participation form showing the nature of the affiliation and the sponsor designated by the concerned participant. The franchisee must also supply a change form if a participant affiliated with the franchisee's office resigns, changes his or her address, is terminated, relocates, dies, or whose status as a fund participant is otherwise altered.

Payment: The portion of the revenues payable to each sponsor is equivalent to 5% of the gross commissions of the salesperson that he or she sponsored less \$50.00 processing fee to cover the costs related with the electronic transfers etc.

These revenues will be paid by Sellstate Realty Systems Network, Inc. to each qualifying recipient as “income earned” by electronic transfer on the 15th of each month for all royalties received the previous month. It is the participant’s responsibility to provide Sellstate Realty Systems Network, Inc. with all the necessary paperwork and authorizations required for the electronic transfer. All participants will be deemed to be independent contractors.

To maintain their membership in the Affiliate Sponsoring Program, participants must renew their membership every year by paying Sellstate Realty Systems Network, Inc. an annual renewal fee of \$300.00. This renewal is due and payable on the participant’s anniversary date Sellstate Realty Systems Network, Inc. may amend these fees from time to time.

The Affiliate Sponsoring Program membership can be lost only if the participant is convicted of a felony of any type or any criminal misconduct that reflects unfavorably on Sellstate Realty Systems Network, Inc. or the Affiliate Sponsoring Program participant, engages in any other misconduct or conduct reflecting adversely on the SELLSTATE® system in any manner, is licensed with a competing real estate company, fails to renew his or her membership, or dies.

If the participant’s membership with Sellstate is terminated for whatever reason the participant shall not be entitled to any income from the Affiliate Sponsoring Program.

Sellstate Realty Systems Network, Inc.'s contractual responsibility to administer the Affiliate Sponsoring Program runs exclusively to its Sellstate Franchisees. Sellstate Realty Systems Network, Inc. has no obligation to or relationship with any Affiliate Sponsoring Program participant member.

Appendix D – Affiliate Sponsoring Letter

Dear Sir/Madam:

Sellstate highly values its relationship with all of its affiliates and appreciates that they have been very instrumental in the success of Sellstate.

Sellstate is now pleased to announce the advent of its *Affiliate Sponsoring Program* (ASP). This program has been specifically designed to include those affiliated with Sellstate to share in its revenues.

How it works is very simple. Every time you assist a Sellstate broker to recruit an agent, you are considered a 'sponsor' and you will be entitled to receive a portion of Sellstate Corporate royalties in the form of a sponsoring bonus for the rest of your life (*as long as that agent remains with Sellstate and continues to do transactions*). For example: You recommend 'Sandra' to a Sellstate office. You contact the broker/manager and help him/her set up an appointment for an interview with 'Sandra'. If she joins that office or, any other Sellstate office, you automatically become the sponsor. It's as simple as that.

For further information or clarification, please do not hesitate to contact a Sellstate office near you.

Appendix E – Affiliate Sponsoring Program F.A.Q.

Q – How is it legal to pay unlicensed affiliates real estate commissions?

A – The sponsoring bonus that is paid to the affiliates is not part of a real estate commission as it is first collected by Sellstate Corporate in the form of a royalty. Once the money is in the corporate account, Sellstate Corporate is free to disburse a sponsoring bonus as it sees fit.

This is a similar system to the vesting that takes place with the Agent Asset Development program. Once an agent is retired from the business he/she is no longer licensed yet Sellstate Corporate is still able to share its royalties with these agents.

Q – Who is eligible to participate?

A – Any affiliate that assists in the development of business. Some examples include representatives of mortgage, title, home inspection and insurance companies.

Q – How often do the affiliates get paid?

A – The affiliates will be paid on the 15th of the month following a transaction by the sponsored agent. For example: Bob sponsors Jane. Jane completes a transaction in the month of July. Bob will receive his sponsoring bonus on August 15th.

Q – Do all Sellstate Brokers have to participate in this program?

A – No. Unlike the Agent Asset Development (AAD) Program, this program is optional for the brokers.