

DEFYING THE MARKET

How Keller Williams Realty Grows While Others Contract

By Maria Patterson

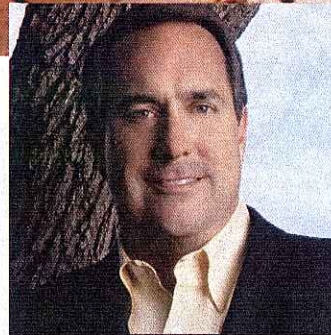


At Keller Williams Realty, the glass is always half full. While most real estate firms—small, large and in between—struggle to stay on sure footing in today's market, Keller Williams Realty just keeps moving forward. In a year when just about every other real estate firm reduced its number of offices, Keller Williams actually wound up in the plus-five department for franchises in 2008.

"I am very proud to say that we have lots of examples of agents and offices who are doing better today than they were doing when the market was thriving," says Mark Willis, CEO of Austin, Texas-based Keller Williams Realty International. And as anyone in the Keller Williams organization will tell you, the company's overall growth is a direct result of the individual achievements of its agents. In 2008, Keller Williams Realty boasted 695 offices and averaged over 72,000 agents across North America. What's more, the company actually gave back \$32 million in profit sharing—something Willis rightly refers to as "a significant achievement."

The secret to the company's continued growth over the years also includes its commitment to perseverance and optimism. Market conditions are no excuse—especially for a company that was founded during one of real estate's lowest points. Facing adversity is just part of Keller Williams Realty's DNA.

"Keller Williams was founded in 1983 in Austin, Texas," explains Willis. "The Austin market contracted from 5,500 agents to 1,800 agents over an 18-month period at that time. While



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— Mark Willis, CEO,
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International

every other company was going backwards, we added 130 agents in six months in a single office."

TAKING THE LEAD

With a beginning like that, it's no wonder that the Keller Williams leadership team remains positive and optimistic about the opportunities in today's market—a contagious culture that spreads to all Keller Williams leadership and sales associates as well. Willis points to the company's business model as a key factor in the success of its culture.

"We look at ourselves as more of a business model than a brand name," explains Willis. "We focus all of our activities on helping our associates do what they need to do to succeed in any market. Now is a time for growth. A lot of companies are cutting back but we're ramping up training in these times. Our economic model is designed to lead with revenue, not expenses."

John Davis, regional director for the Keller Williams Greater Heartland region—encompassing Arkansas, Missouri, Kansas, Nebraska

and Iowa—identified the unique value of the Keller Williams culture 14 years ago when he first entered the real estate business.

"Keller Williams represented to me a new company that had a big vision and they were looking for quality leaders to make that vision a reality," recalls Davis. "I really believe in systems and models and one of the things that

attracted me to Keller Williams is the fact that they have a game plan. They did well in the economically challenging market of 1983 and they did great in the boom market. I thought, 'Hey, this is a model that works all the time.'"

When Melanie Kennemann decided to pursue a career in real estate two and a half years ago, she did her due diligence before choosing Keller Williams Realty. Taking to the business and the company "like a fish to water," Kennemann stepped up for and received a team leader position in her Reno, Nevada office (or "market center," in Keller Williams terminology). Today, she

leads 150 agents within her market center.

"When you walk into my office, there's a buzz—there's an energy," says Kennemann. "Ninety percent of what you do is your mindset and we are a company that is very proactive as opposed to reactive. We help our agents remain positive, set goals and then help them get there. If you don't have a map, you're not going to get there. People are hungry and need leadership and guidance. They need to know they can do this and be held accountable."

While Kennemann provides this leadership within her market center by personally consulting agents and sticking to a schedule of daily "Power Hour" lead-generation meetings and monthly regional meetings, she explains that she's simply following the example set by the Keller Williams leadership team of Willis, Gary Keller, Mo Anderson and Mary Tennant.

"The leadership in our company helps team leaders to be phenomenal," she explains. "It starts at the top. Our leaders walk the walk and they teach you how to be a leader. There's no other company that does team building like this."

'WIN-WIN OR NO DEAL'

While Willis watches other big real estate firms take on a lot of debt, Keller Williams Realty remains debt-free and financially sound: "We're profitable. Our philosophy is to offer the very best education and coaching in the industry so that our agents and offices perform at the highest levels possible.

"Our belief system starts with a 'win-win or no-deal' approach," he continues. "We offer a synergistic opportunity for both agents and brokers to grow. Because both groups benefit in our model, our culture becomes a magnet for talent within our industry. That's our strategy for growth."

This philosophy, according to Davis and Kennemann, is a reality at Keller Williams Realty, not just talk. "The leadership really cares," says Davis. "The thing that's neat is that we're all Realtors—there are no corporate people. There are people that understand what it's like to sell real estate and they never forget that. We have a leader in Gary Keller who was a phenomenal real estate agent—he remembers what it was like to get that big deal and he remembers what it was like to lose a listing. There is no ivory tower here—everyone shows up, puts their boots on and goes to work."

To help agents be successful in today's market,



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the company is stepping up its training efforts. "While other companies are cutting back, we're adding things like a commercial division, a luxury homes division, and seminars and training courses based on Gary Keller's latest book, *SHIFT: How Top Real Estate Agents Tackle Tough Times*, which presents new tactics our people can leverage," says Davis. "We need to adapt to this market and put our people in the position to do the same by offering them the right education."

"We are very aggressive in our training with agents," Willis confirms. "We believe there are still plenty of sales to be had. We are teaching our agents how to capture those sales."

The culture of Keller Williams Realty, along with its positive numbers, are catching the attention of agents from competing firms these days, says Davis, making growing his offices easier than ever. "Keller Williams is doing well when everyone else is cutting back," he says. "There were talented people that I wasn't able to talk to when the market was booming. Now, all of a sudden, people are saying, 'Wow, this model makes sense.'"

FULL STEAM AHEAD IN '09

Looking to the year ahead and beyond, the outlook is bright for Keller Williams Realty.

None of Keller Williams' future goals, in fact, are contingent upon the challenges in the economy at large. "Our goals may be affected by the economy or delayed by it, but they are not dependent upon it," says Willis. "We define success as results through others. Our intent is to end 2009 with an agent count of 80,000 and we expect to add an additional 50 franchises. Agents are hungry for what we can offer them—education, coaching and the opportunity for growth."

"I definitely see 2009 as an opportunity for Keller Williams," agrees Kennemann. "People are fearful about the changes that are coming but they're also open to hope. And Keller Williams and what we stand for is exactly that. We have the training, the tools, the structure and the business model to help get you where you want to go." **RE**

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