RightAlly

REVENUE SHARE VS PROFIT SHARE — QUICK REFERENCE CARD

Which Incentive Model Is Right for Your Independent Brokerage?

An 8-dimension comparison for broker-owners choosing which model to build — not agents choosing which brokerage to join.

The key structural difference: Revenue share calculates from **gross company dollar** — before any operating expenses are deducted. Profit share calculates from **net profit** — after overhead. That one difference determines which model works at most independent brokerage stages.

GREEN = Revenue Share advantage AMBER = Profit Share advantage GREY = Tie

DIMENSION	REVENUE SHARE	PROFIT SHARE
Calculation Base	Gross company dollar — before any operating expenses	Net profit — after all brokerage overhead is deducted
Agent Predictability	**✔ HIGH — agents calculate exactly what they earn per transaction**	**✘ LOW — variable; depends on brokerage profitability each period**
Payout in a Slow or Unprofitable Year	**✔ YES — funded from gross revenue regardless of margin**	**✘ NO — if brokerage doesn't profit, agents earn nothing**
Overhead Sensitivity	**✔ NONE — unaffected by staffing, lease, or marketing decisions**	**✘ HIGH — any increase in overhead directly reduces the pool**
Recruiting Argument Strength	**✔ STRONG — 'X% per transaction' is concrete and modelable before joining**	**✘ MODERATE — 'share in our profits' is harder to quantify for recruits**
Implementation Complexity	**✔ LOWER — referral tracking + per-transaction calc + one-page document**	**✘ HIGHER — requires P&L; reporting, reconciliation, financial transparency**
Best-Fit Brokerage Stage	**✔ ANY STAGE — self-funding from new production; works from Day 1**	Established — needs consistent profitability to deliver meaningful agent income
Agent Retention Incentive	**Strong — agents with revenue share income have direct financial reason to stay**	**Strong — agents invested in brokerage profitability also have reason to stay**

VERDICT FOR MOST INDEPENDENT BROKERAGES

Revenue Share — particularly for brokerages under 100 agents, still scaling profit margin, or needing a strong external recruiting argument without exposing internal financials. Profit share is right for established brokerages with consistent multi-year profitability and a culture of financial transparency.

Model your revenue share programme economics: rightally.io/roi-calculator **Download the Revenue Share Starter Checklist:** rightally.io/revenue-share-checklist **Book a call:** rightally.io/book-a-call