

FREE RESOURCE

The Independent Broker's Revenue Share Decision Guide

The honest answer to:

"Is revenue share right for your brokerage?"

6

Chapters

10

Questions

3

Free Tools

5

Honest
Reasons Not To

WHAT YOU'LL DISCOVER INSIDE

- Whether revenue share is right for your brokerage, your market, and your timing
- The 6 conditions that make it work — and the 5 honest reasons not to launch yet
- The financial model at a glance: what the numbers look like at 50–500 agents
- A complete 30-day decision roadmap if the answer is yes — with free tools included

No sales pitch. No product promotion. Just the framework to make the right decision.

How to Use This Guide

CH	TITLE	WHAT YOU'LL DISCOVER
1	What Revenue Share Actually Is	Plain-language mechanics — how money flows on every transaction
2	What Changed — and Why It's Not Going Back	The structural shift in agent behaviour driving this conversation
3	The 6 Conditions That Make It Work	Honest criteria — if these are true, act now. If not, not yet.
4	The 5 Honest Reasons NOT to Launch Yet	The cases where revenue share creates complexity without payoff
5	The Financial Model at a Glance	What the numbers look like at 50, 100, 200 and 500 agents
5B	Revenue Share Readiness Checklist	10 questions to answer privately — score your brokerage's readiness
6	Your 30-Day Decision Roadmap	If the answer is yes — exactly what to do next, in order

3 FREE TOOLS INCLUDED IN THIS GUIDE

TOOL 1 Revenue Share Readiness Checklist — 10 scored questions built into Chapter 5B of this guide

TOOL 2 Revenue Share ROI Calculator → rightally.io/revenue-share-roi-calculator

TOOL 3 Brokerage Profitability Scorecard → rightally.io/brokerage-profitability-calculator

CHAPTER 1

Before deciding whether revenue share is right for your brokerage, you need to understand exactly what it is — and what it isn't. The term gets used loosely, and confusion around it causes broker-owners to either dismiss it too quickly or misunderstand what they'd be committing to.

THE PLAIN-LANGUAGE DEFINITION

Revenue share is a programme in which a brokerage distributes a portion of its company dollar — the share of GCI it retains after paying the primary agent — to other agents based on their recruiting activity within the brokerage.

When Agent A recruits Agent B, and Agent B closes a deal, Agent A earns a percentage of the brokerage's share of that transaction. Not Agent B's commission — the brokerage's side. Agent B's earnings are completely unaffected.

The critical distinction

Revenue share does not come out of the closing agent's pocket. It comes out of the brokerage's company dollar. Agent B closes a deal and earns their split as normal. The brokerage's retained portion is then distributed — some to company profit, some flowing through the revenue share tiers to Agent A and their upline.

HOW THE MONEY FLOWS — ON EVERY SINGLE TRANSACTION

Every time any agent closes a transaction, the revenue share portion flows simultaneously through all five tiers of that agent's recruiting upline — in the same moment, automatically, on every deal.

ITEM	\$10,000 GCI DEAL EXAMPLE	NOTES
Agent earns	\$8,000 (80% split)	Unchanged — rev share does not affect agent's split
Brokerage pool	\$2,000 (20% company dollar)	This is what gets distributed
Rev share pool	\$500 (5% of total \$10K GCI)	Approach A — % of total GCI
Company profit	\$1,500 (remaining)	After rev share pool is carved out
Tier 1 payout	\$175 (35% of pool)	Direct sponsor — fires instantly

Tier 2 payout	\$125 (25% of pool)	All 5 tiers fire simultaneously
Tier 3 payout	\$100 (20% of pool)	Same transaction, same moment
Tier 4 payout	\$60 (12% of pool)	No sequential delay — all at once
Tier 5 payout	\$40 (8% of pool)	Total always = 100% of pool

THE FOUR MODELS — WHICH STRUCTURE FITS YOUR BROKERAGE

Approach A — % of Total GCI (Recommended)

Model A Revenue share is a fixed % of total GCI before agent split. Most transparent. Example: 5% of every deal's total GCI flows to the pool regardless of split structure. Easiest to explain in a recruiting conversation.

Best for: Maximum transparency and simplicity. Most common in RightAlly programmes.

Approach B — % of Company Dollar

Model B Revenue share calculated as a % of the brokerage's retained share only. Produces the same economic result as Approach A when calibrated correctly, but more complex to explain to agents.

Best for: Brokerages that think in company-dollar terms internally.

Tiered / Capped Model

Model C Percentages vary by tier or are capped at a maximum annual payout per sponsor. Creates a predictable cost ceiling but limits the passive income story's power in recruiting conversations.

Best for: Brokerages concerned about long-term payout obligations.

Production-Unlocked Model

Model D Tiers unlock based on recruited agent production milestones before the sponsor earns. Creates accountability but adds significant explanation complexity.

Best for: Mentorship cultures. Not recommended as a first programme design.

Revenue Share ROI Calculator

TOOL 1 → rightally.io/revenue-share-roi-calculator

Enter your agent count, average GCI, and brokerage split.

See your annual revenue share pool, per-transaction payout, and 5-year projection.

CHAPTER 2

Agent churn has always existed. People move brokerages for better splits, for better leads, for personal reasons. That's not new. What changed — in a way that is structural, not cyclical — is the reason the most dangerous exits happen.

"The agents who left weren't disloyal. They were rational. They found a place that answered a question their current brokerage never even knew they was asking."

— Independent brokerage owner, Tampa FL, 2025

THE FOUR QUESTIONS AGENTS ARE NOW ASKING

When a producing agent evaluates whether to stay at your brokerage — or join it — they are running a quiet calculation against four questions. Most independent brokerages only answer the first one.

01

What do I earn from my own production?

The split conversation. You're already having it. Most independent brokerages are competitive here. But it's the only question the traditional model answers — and producing agents know it.

02

What do I earn when my network grows?

High-producing agents know other high-producing agents. At a traditional brokerage, a referral earns them nothing. At a revenue share brokerage, it adds a branch to their income tree. The gap between zero and something is enormous to an agent thinking long-term.

03

What do I build here that I can't take with me?

This is the loyalty question in financial language. If an agent's entire value at your brokerage is their own production — fully portable — there is no structural reason to stay. Revenue share creates real downside for leaving.

04

Does leadership here think about my future — or just my volume?

Felt more than calculated. Agents read the signals. A brokerage that recruits aggressively but has no long-term financial retention mechanism sends one message: we want your production, not your partnership.

THE DATA BEHIND THE SHIFT

METRIC	DATA POINT	WHAT IT MEANS FOR YOU
Agent churn	16% of agents switched brokerages in 2025 (Courted)	120-agent brokerage replaces ~19 agents/year to stay flat
Volume at risk	\$15.7B migrated between brokerages in 2025 (Recruiting Insight)	Top 10% of movers controlled 45% of that volume
Top challenge	63% of broker leaders name recruiting as #1 problem (Delta Media 2026)	Splits and culture alone no longer differentiate
Profitability	Median brokerage EBITDA: 1.68% in 2025 (AccountTECH, 157 brokerages)	The recruiting revolving door is consuming margin
Cloud growth	Real Brokerage grew 56% in 2025. eXp: 83,000+ agents	Revenue share — not splits, not culture — is the engine

The bottom line on what changed

Revenue share went from a niche model to the standard recruiting pitch in every major US market. Your agents are already hearing it. Some are already calculating. The question is no longer whether this is relevant to your brokerage. The question is whether you have an answer ready when your best agent brings it up.

CHAPTER 3

Revenue share works best when specific conditions are true. If they are not yet true for your brokerage, launching prematurely creates complexity without payoff. If they are true — and for a growing number of independent operators they are — the cost of waiting is measured in agents you're about to lose.

C1

You have at least 30 agents, with a core group of 5–10 producers your business depends on

Below 30 agents, the network effect doesn't have enough nodes to generate momentum. The programme works when there are enough agents to recruit into — and enough production to make the passive income story compelling in a real number. The 5–10 core producers matter because they are being approached most aggressively by cloud brokerage recruiters right now.

Signal: Under 30 agents — build production density first. Revenue share is an accelerant, not a foundation.

C2

You are actively recruiting — not just posting — and want a story that goes beyond split and culture

Revenue share transforms the recruiting conversation from defensive (explaining why your split is competitive) to offensive (showing agents what they build over 10 years). The story only lands when someone is actively telling it.

Signal: If your best recruiting conversations end with 'great culture and competitive splits' — you need a structural answer to a different question.

C3

You've had at least one agent leave for a cloud brokerage or revenue share competitor in the last 24 months

One departure is the visible symptom. The invisible symptom is the agents quietly calculating whether they should follow. Once the first one leaves, the conversation accelerates across your team whether you know it or not.

Pain signal: If you've lost even one agent to a cloud model, you've already paid more than readiness would have cost.

C4

Cloud brokerage recruiters are actively working your market

If your market has active recruiting from eXp, Real Brokerage, LPT, or SERHANT — your agents are hearing the passive income pitch weekly. Revenue share is both a defensive and offensive tool in this environment.

Market check: Search LinkedIn for cloud brokerage agents in your metro. More than 10 results means your agents are already being contacted.

C5

You want to expand into additional markets and need a model that scales without you personally

Revenue share is the only brokerage growth mechanism that expands geographically through agent networks rather than through the founder's personal presence. Every agent who recruits another extends your market reach without requiring you to open an office or personally establish every relationship.

Scale signal: If your expansion plan depends entirely on your personal involvement — your model is you, not your brokerage.

C6

Your agents informally refer colleagues to your brokerage without financial incentive

This is the most underrated signal. Informal referrals mean the culture is genuinely worth recommending. Revenue share doesn't create that culture — it amplifies what already exists. Brokerages that launch without a referral culture see limited results.

Opportunity signal: Your agents' existing networks are your fastest path to organic growth. Revenue share converts goodwill into action.

HOW MANY CONDITIONS ARE TRUE?

3+ TRUE

1-2 TRUE

0 TRUE

CHAPTER 4

Revenue share is not for everyone. This chapter exists because most resources on this topic skip the cases where you should not launch. We won't. Read this carefully — it may be the most valuable part of this guide for brokerages at an early stage.

R1 Your brokerage is under 20 agents and still defining its core identity

Under 20 agents, you are still in the foundation phase. Adding a revenue share layer before the foundation is solid creates administrative complexity — tracking tiers, managing payouts, explaining the programme to new recruits — without the network effect that makes the numbers meaningful. There is no passive income story if there's no network yet.

**WHAT TO DO
INSTEAD**

Focus on recruiting your first 20–30 productive agents and defining your brand identity. Revenue share amplifies what already exists — it doesn't create it.

R2 You are in financial difficulty or operating below breakeven

Revenue share redistributes brokerage income. If you're already under margin pressure, adding a programme that allocates additional company dollar to agent passive income before the network generates new GCI will deepen the margin problem, not solve it.

**WHAT TO DO
INSTEAD**

Use the Brokerage Profitability Scorecard to calculate your exact margin leaks first. Close those structural gaps before adding a revenue distribution layer. → rightally.io/brokerage-profitability-calculator

R3 You have no system for tracking commissions accurately across agents

Revenue share calculations run on every transaction across every agent across every tier of the recruiting upline. If your current commission tracking is done in spreadsheets or produces errors more than once per quarter, you are not ready to add a multi-tier automatic distribution layer on top of it. One wrong payout erodes the entire programme's credibility immediately.

**WHAT TO DO
INSTEAD**

Get your commission tracking infrastructure solid first. A purpose-built platform handles both commission tracking and revenue share distribution simultaneously — but the underlying transaction data needs to be clean.

R4

Your best agents are not natural recruiters and your culture doesn't support internal growth

Revenue share works when agents recruit. If your brokerage's culture is oriented toward individual production — agents excellent at closing but uninterested in building a team — revenue share will launch with enthusiasm and plateau quickly. The programme needs natural connectors who actively want to bring people into the environment they're in.

**WHAT TO DO
INSTEAD**

Assess whether your top agents have ever referred a colleague without financial incentive. If the answer is rarely or never — build a referral culture first, then add the financial incentive to amplify it.

R5

You are considering revenue share primarily to slow a wave of departures already underway

Revenue share is a growth and retention tool — not a rescue tool. If you've already lost 20–30% of your agent count in the last 12 months and root-cause issues haven't been addressed, a revenue share programme will not stop the exits. Agents leaving due to dissatisfaction with leadership or support will not be retained by a passive income promise from a brokerage they've lost confidence in.

**WHAT TO DO
INSTEAD**

Address the root cause of departures first. Revenue share builds on trust. If that trust is damaged, rebuild it before layering financial incentives on top. A revenue share announcement during a crisis signals desperation.

CHAPTER 5

All calculations use Approach A at 5% of total GCI, 20% brokerage split, and \$95K average annual GCI per agent. Use the Revenue Share ROI Calculator to model your specific brokerage.

How to read this table

These are illustrative figures based on industry-average GCI and a standard independent brokerage split. Your actual numbers will vary. After reviewing, use the Revenue Share ROI Calculator at rightally.io/tools/revenue-share-calculator to model your exact brokerage.

METRIC	50	100	200	500
Total annual GCI	\$4.75M	\$9.5M	\$19M	\$47.5M
Brokerage pool (20% split)	\$950K	\$1.9M	\$3.8M	\$9.5M
Rev share pool (5% of GCI)	\$238K/yr	\$475K/yr	\$950K/yr	\$2.38M/yr
Rev share per deal (avg)	~\$50	~\$50	~\$50	~\$50
Company profit (15%)	\$713K	\$1.43M	\$2.85M	\$7.13M
Passive income per agent	\$4,750	\$4,750	\$4,750	\$4,750
Agents to self-fund pool	5 agents	10 agents	20 agents	50 agents
Year 3 pool (8% growth/yr)	\$276K	\$553K	\$1.11M	\$2.77M
Year 5 pool (compounding)	\$348K	\$697K	\$1.39M	\$3.49M

THE SELF-FUNDING CALCULATION

The most important financial insight about revenue share is that it is not a net cost when designed correctly. The programme generates new GCI through the agents it recruits, and that new GCI covers the pool within 12–24 months in most brokerage scenarios.

S T E P	100-AGENT BROKERAGE EXAMPLE	RESULT
1	Annual revenue share pool at current size	\$475,000 / year
2	Programme recruits 10 net new agents (10% growth) who joined because of rev share	10 new agents
3	New agent brokerage GCI: 10 × \$95K × 20% split	\$190K new GCI
4	Year 1: pool costs \$475K, new GCI covers \$190K. Gap narrows as recruits produce more	\$285K net cost Year 1
5	Year 2: recruits bring their own recruits. Pool grows but so does total GCI	Approaching self-funding
6	Year 3+: compounding network — pool is funded by organic growth, not net cost	Programme is self-funding

Brokerage Profitability Scorecard

→ rightally.io/brokerage-profitability-calculator

TOOL 2

Calculates your annual recruiting cost leak, agent churn volume loss, and technology ROI gap in under 3 minutes.

Know your current profitability baseline before designing your revenue share programme.

CHAPTER 5B

Work through each question in order. Write your honest answer — not the one you'd give in a recruiting pitch, but the one you'd give at midnight when nobody is listening. Count your confident Yes answers at the end.

PART I — RETENTION & RECRUITING

01 **If one of your top three producers received a revenue share offer tomorrow — would staying with you be the financially obvious choice?**

Reflect: What structural financial reason do your best agents have to stay beyond this year?

WHY THIS MATTERS High-producing agents run quiet calculations. When someone shows them a model where recruiting their network builds compounding income, the split percentage conversation becomes almost irrelevant. If your answer relies entirely on culture and commission — you are one conversation away from losing someone you cannot afford to lose.

HOT SIGNAL: If you hesitated answering this, your retention is more fragile than it feels right now.

02 **When a producing agent asks 'why should I join your brokerage over the cloud model?' — what do you say that they haven't already heard?**

Reflect: Is your answer genuinely different from every other independent brokerage competing in your market?

WHY THIS MATTERS Culture, splits, and leads are table stakes now. The brokerages winning today offer a different answer to a different question: not 'what do you earn per deal' but 'what do you build here over the next ten years?' If you cannot answer that with something structural, your recruiting pipeline is working harder than it needs to.

GROWTH SIGNAL: Brokerages with a structural long-term recruiting answer close 2–3x more agent conversations.

BONUS EXPLAINER**PART 1 — THE SIMPLE ANALOGY (START HERE)**

Before any numbers, here is the simplest way to understand what revenue share actually does.

Imagine you own a pizza franchise

When you opened your first pizza shop, the franchisor helped you set it up. In return, every time you sell a pizza, a small slice of that sale flows back to the franchisor. Now imagine YOU get to be the franchisor — but instead of pizza shops, you are helping other agents join your brokerage. Every time those agents close a real estate deal, a small portion of the brokerage's earnings flows back to you. That is revenue share. You helped build the network. The network earns. You receive a share — automatically, on every deal, for as long as those agents remain.

Four things to understand before looking at any numbers:**It comes from the brokerage — NOT the agent**

The agent closing the deal gets 100% of their split as normal. Revenue share comes out of the brokerage's retained share — the company dollar. No agent loses any money.

It is passive income

Once you recruit someone into the brokerage, you do not have to do anything else. Every time they close a deal — whether you are asleep or in another city — your payment happens automatically.

It compounds over time

The agents you recruit can also recruit. When they bring someone in, you earn from that person too at a smaller tier percentage. Your income tree grows without you doing more work.

It is not a pyramid scheme

In a pyramid scheme, money is taken from new participants to pay old ones. In revenue share, the money comes from real properties sold, real commissions earned. The brokerage distributes from its own earnings — no agent pays another agent.

PART 2 — A REAL BROKERAGE EXAMPLE (MEET SARAH AND MARCUS)

Let's follow Sarah — a broker-owner who just launched a revenue share programme at Premier Realty, Tampa, Florida. She has 100 agents. Let's see what happens when Agent Marcus closes a deal.

PREMIER REALTY — BROKERAGE PROFILE

Agents	100	Brokerage split	Agent 80% / Brokerage 20%
Avg GCI per agent	\$95,000/year	Rev share rate	5% of total GCI across 5 tiers
Total GCI per year	\$9,500,000	Annual pool (Year 1)	\$475,000 — paid to agents who recruited

STEP 1 — WHERE DOES THE MONEY COME FROM? (ONE DEAL TRACED)

Marcus closes a \$300,000 home sale. Here is every dollar — traced to its destination.

ITEM	CALCULATION	AMOUNT	WHO GETS IT
Sale price	(given)	\$300,000	Property seller
Commission (3%)	$\$300,000 \times 3\%$	\$9,000	Split between agent and brokerage
Marcus keeps (80%)	$\$9,000 \times 80\%$	\$7,200	Marcus — his income, totally unchanged
Brokerage keeps (20%)	$\$9,000 \times 20\%$	\$1,800	Premier Realty's company dollar
Rev share pool (5% of GCI)	$\$9,000 \times 5\%$	\$450	Distributed to recruiting upline — see Step 2
Sarah's brokerage profit	$\$1,800 - \450	\$1,350	Premier Realty's earnings on this deal

The critical point

Marcus keeps exactly \$7,200 — the same as he would have earned with no revenue share programme. The \$450 rev share pool comes entirely from the brokerage's \$1,800 share. Marcus's income is completely unaffected.

STEP 2 — HOW THE \$450 DISTRIBUTES ACROSS 5 TIERS SIMULTANEOUSLY

That \$450 doesn't go to one person. It flows simultaneously across five tiers of Premier Realty's recruiting network — the instant Marcus's deal closes.

TIER	WHO IS THIS?	%	THIS DEAL	ANNUAL (100 AGENTS)
Tier 1	Person who directly recruited Marcus	35%	\$157.50	\$166,250/yr*
Tier 2	Person who recruited the Tier 1 agent	25%	\$112.50	\$118,750/yr*
Tier 3	One level further up the recruiting chain	20%	\$90.00	\$95,000/yr*
Tier 4	Two levels up	12%	\$54.00	\$57,000/yr*
Tier 5	Three levels up	8%	\$36.00	\$38,000/yr*
TOTAL	All 5 tiers fire at the exact same time	100%	\$450.00	\$475,000/yr total pool

* Annual column assumes that one person recruited all 100 agents in the brokerage — which is unrealistic. Actual earnings depend on how many agents are in each person's specific downline network. A realistic Tier 1 earner with 10 recruits producing \$95K each earns: $10 \times \$95K \times 5\% \times 35\% = \$16,625/\text{year}$.

STEP 3 — A REAL AGENT'S PASSIVE INCOME (MEET JENNIFER)

Jennifer is one of Sarah's top producers. She recruited 5 agents into Premier Realty last year. Here is her exact passive income calculation — step by step.

- ①

Total GCI generated by Jennifer's 5 recruits
 5 agents × \$95,000 average annual GCI = \$475,000 in total GCI from her recruits
- ②

Revenue share pool from those 5 agents' deals
 \$475,000 × 5% (rev share rate) = \$23,750 total pool generated by Jennifer's recruits
- ③

Jennifer's Tier 1 share (35% of that pool)
 \$23,750 × 35% = \$8,313 in passive income for Jennifer — Year 1
- ④

Jennifer's total Year 1 income
 Her own deals: \$150,000 + Passive income: \$8,313 = \$158,313 total annual income

<p style="color: #dc3545; font-weight: bold;">WITHOUT Revenue Share</p> <p style="font-size: 2em; color: #dc3545; text-align: center; margin: 20px 0;">\$150,000</p> <p style="color: #dc3545; font-size: 0.9em;"><i>Her own GCI only. If Jennifer leaves for a better split, her income goes with her. No financial reason to stay.</i></p>	<p style="color: #28a745; font-weight: bold; text-align: center;">WITH Revenue Share</p> <p style="font-size: 1.5em; color: #28a745; text-align: center; margin: 20px 0;">\$150,000</p> <p style="color: #28a745; text-align: center; margin: 10px 0;">+ \$8,313 passive income</p> <p style="color: #28a745; text-align: center; margin: 10px 0;">= \$158,313 total</p> <p style="color: #28a745; font-size: 0.9em; text-align: center;"><i>If Jennifer leaves, she walks away from \$8,313/year. And that number grows every year her recruits stay and produce.</i></p>
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STEP 4 — WHAT IS 'YEAR 3' AND 'YEAR 5 COMPOUNDING'? (THE KEY CONCEPT)

The table in Chapter 5 shows the Year 3 pool at \$553K and Year 5 at \$697K (for 100 agents). This money goes entirely to AGENTS. Here is exactly how and why it grows, and who gets every dollar.

One-sentence answer: who gets the Year 3 and Year 5 money?

Every dollar of the growing pool is distributed to agents who recruited other agents. The brokerage (Sarah) does NOT keep more money as the pool grows. The pool grows because more agents are in the brokerage generating more GCI — and that expanded network distributes proportionally back to the agents who built it.

WHY DOES THE POOL GROW? JENNIFER'S NETWORK YEAR BY YEAR

Revenue share compounds because every recruited agent can also recruit. Here is Jennifer's network evolving over 3 years — she does no additional recruiting after Year 1.

<p>YEAR 1</p> <p>5 agents in Jennifer's direct (Tier 1) network</p>	<p>5 recruits × \$95K avg GCI × 5% pool rate = \$23,750 pool generated by Jennifer's recruits Jennifer's Tier 1 share (35%) = \$8,313 per year in passive income Jennifer did 5 recruits. She now sits back and earns.</p>
<p>YEAR 2</p> <p>2 of Jennifer's recruits each bring in 2 more agents (4 new agents join)</p>	<p>Jennifer now has: 5 Tier 1 agents + 4 Tier 2 agents = 9 agents in her downline Tier 1 earnings: 5 × \$95K × 5% × 35% = \$8,313 (same as Year 1) Tier 2 earnings: 4 × \$95K × 5% × 25% = \$4,750 (NEW — Jennifer did nothing for this) Jennifer's total passive income: \$8,313 + \$4,750 = \$13,063 per year</p>
<p>YEAR 3</p> <p>The 4 Tier 2 agents each bring in 1 more agent (4 new Tier 3 agents join)</p>	<p>Jennifer now has: 5 (T1) + 4 (T2) + 4 (T3) = 13 agents across 3 tiers Tier 1: \$8,313 Tier 2: \$4,750 Tier 3: 4 × \$95K × 5% × 20% = \$3,800 Jennifer's total passive income: \$8,313 + \$4,750 + \$3,800 = \$16,863 per year Important: Jennifer personally recruited ZERO agents in Year 2 or Year 3. Her income grew entirely because her recruits' recruits recruited.</p>

THE BROKERAGE POOL YEAR BY YEAR — WHO GETS EVERY DOLLAR

Now let's zoom out to the entire Premier Realty brokerage. The pool grows because the agent count grows. Every dollar of the pool goes to agents, not to Sarah.

YEAR	AGENTS	TOTAL GCI	5% POOL (GOES TO AGENTS)	WHO GETS THE POOL	SARAH'S PROFIT (15%)
Yr 1	100	\$9.5M	\$475,000	100% to agents with recruits in their downline— divided across their tiers	\$1.43M
Yr 2	108 (+8%)	\$10.3M	\$513,000	Pool grows because 8 more agents joined and are closing deals	\$1.54M
Yr 3	117 (+8%)	\$11.1M	\$555,000	Jennifer and others earn more as their networks deepen through natural compounding	\$1.67M
Yr 5	136 (+8% compd)	\$12.9M	\$645,000	Largest earners: agents who recruited earliest and whose networks have had most time to grow	\$1.94M

The key insight: the brokerage earns more too — not less

As the pool grows from \$475K to \$645K, it is because MORE agents are in the brokerage generating MORE GCI. Sarah's profit also grows — from \$1.43M to \$1.94M over the same period. Revenue share is not a zero-sum game where the brokerage gives away money. Both the agent passive income pool and the brokerage profit expand together as the network grows.

PART 5 — THE QUESTIONS EVERY BROKER-OWNER ASKS

Q

Q: What if an agent I recruited leaves the brokerage?

If a recruited agent leaves, the revenue share payments from their deals stop. However, the agents THEY recruited may still be in the brokerage — you continue earning from that deeper tier. This is why long-term retention matters: the longer your recruits stay, the more robust your passive income becomes.

Q

Q: What if I (the recruiting agent) leave the brokerage?

If you leave Premier Realty, you leave your revenue share position. The passive income you built goes with the brokerage, not with you personally. This is intentional — it creates a powerful financial reason for top recruiters to stay. Walking away from \$16,000+/year in passive income is a significant decision.

Q

Q: Can this grow to hundreds of thousands per year?

Yes — for agents who recruited actively and whose networks have had several years to compound. The largest earners in mature revenue share programmes have 50–200+ agents in their multi-tier network. At that scale, annual passive income can reach \$50,000–\$200,000. But this takes years of consistent recruiting activity, not overnight results.

Q

Q: What is the reference for the Year 3 and Year 5 maths?

The compounding calculation assumes 8% annual agent growth — consistent with a well-run revenue share programme. Formula: Agent count \times \$95K avg GCI \times 5% rev share = annual pool. Each year: previous agent count \times 1.08 = new count. Brokerage profit = 15% of total GCI (company dollar of 20% minus the 5% pool). These are illustrative assumptions. Your brokerage's actual growth will depend on market conditions, programme adoption, and how actively agents recruit.

Q

Q: Is revenue share right for my brokerage?

Use the free Revenue Share ROI Calculator to see your exact numbers. Enter your agent count, average GCI, and brokerage split. The calculator shows your annual pool, per-transaction payout across all 5 tiers, and what individual agents in your network would earn.

See your exact numbers for your brokerage

03 In the last 24 months, how many producing agents have you lost — and have you calculated what that cost in GCI, referrals, and team momentum?

Reflect: Write down a number. Most brokerage owners underestimate this by 40–60% when they factor in the full picture.

WHY THIS MATTERS

The visible cost of losing an agent is their commission. The invisible cost is everything else — the referrals they would have sent, the agents they would have recruited, the recruiting spend to replace them. One mid-producing agent exit typically costs 3–5x their annual GCI contribution when fully tallied.

PAIN SIGNAL: If you've lost even one agent to a cloud brokerage, you've already paid more than readiness would have cost.

04 Do your agents currently refer other agents to your brokerage — and what do they personally gain financially from doing it?

Reflect: Are you leaving a natural recruiting engine unactivated because there's no financial incentive attached to it?

WHY THIS MATTERS

High-producing agents know other high-producing agents. When an agent refers a colleague who closes 30 deals a year, your brokerage benefits significantly. The referring agent gets nothing. That asymmetry represents enormous latent recruiting energy that never converts — because there is no structural reason for it to.

OPPORTUNITY SIGNAL: Your agents' existing networks are your fastest path to organic growth. Most brokerages never unlock it.

PART II — EXPANSION & OPERATIONS

05 If you opened a second or third office tomorrow — how confident are you that your model would scale there without you personally driving every relationship?

Reflect: Is your growth dependent on your presence — or does your model grow independently of you?

WHY THIS MATTERS

Many independent brokerage owners are the single point of failure in their own growth model. Brokerages that scale successfully do so because the financial model itself becomes the recruiting engine — not the founder's personal brand or relationships.

SCALE SIGNAL: If your expansion answer involves 'I'd have to be there personally' — your model is you, not your brokerage.

06**Are your transaction management, accounting, and recruiting operations connected — or are you running disconnected systems without a real-time view of brokerage health?**

Reflect: How many hours per week does your team spend moving information manually between tools that don't talk to each other?

WHY THIS MATTERS

Operational disconnection is the hidden tax on brokerage growth. It creates administrative overhead that consumes time your team should spend on recruiting and retention. Revenue share adds a new data layer that disconnected systems cannot handle reliably.

EFFICIENCY SIGNAL: Disconnected operations cost more in time and missed visibility than the tools to fix them.

PART III — VISION & COMPETITIVE EDGE**07****When agents in your market compare you to cloud brokerages in private conversations — what specific financial advantage do you offer that the cloud model doesn't?**

Reflect: Not culture. Not brand. Not leads. A specific, structural financial advantage. What is it?

WHY THIS MATTERS

Independent brokerages have genuine advantages: community, leadership accessibility, local expertise, culture. But these are not financial. When an agent evaluates a 10-year horizon, culture doesn't compound. The brokerages competing with cloud models match the financial story while keeping the cultural advantages cloud models cannot offer.

COMPETITIVE SIGNAL: You don't need to become a cloud brokerage. You need to make their financial model yours.

08

Can you describe, in specific terms, what a 10-year financial future looks like for an agent who builds their career at your brokerage?

Reflect: If you struggled to answer clearly, your agents are struggling to see it too — and someone else is already showing them a clearer picture.

WHY THIS MATTERS

Agents who can clearly see their financial future at a brokerage stay. Agents who cannot — even if perfectly happy day-to-day — remain vulnerable to anyone who shows them a clearer picture. The brokerage that says 'here is exactly what you build here over ten years' creates an anchor that purely operational advantages cannot match.

VISION SIGNAL: The clearest 10-year story wins. In most markets, that story is still unwritten by any independent.

09

If launching a revenue share model required zero disruption to your current systems and could be live in under 30 days — what would actually stop you?

Reflect: Is the real barrier operational — or is it the belief that meaningful change has to be harder than it actually is?

WHY THIS MATTERS

The most common reason brokerage owners delay modernising their growth model is not budget — it is the assumption that change requires rebuilding. This assumption is wrong in almost every case. The technology and infrastructure to layer a revenue share model onto an existing brokerage is available, proven, and far simpler than most owners expect.

READINESS SIGNAL: If the only honest answer is 'I just haven't done it yet' — the window to act is right now.

10 Five years from now, if your brokerage looks exactly the same as today — same agent count, same markets, same model — will that feel like success, or like a missed window?

Reflect: This is the question beneath all the other questions. Answer it with nobody watching.

WHY THIS MATTERS This question is not about strategy. It is about whether your ambition matches the opportunity in front of you. The residential real estate market is in a structural transition. The brokerages that define the next decade are being built right now — not by the largest national operators, but by ambitious independent owners who looked honestly at what was changing and moved before their market was saturated.

AMBITION SIGNAL: The brokerage owners acting now are not the most ready. They are the most decided.

YOUR SCORE — COUNT YOUR CONFIDENT YES ANSWERS

1–3 Yes	4–6 Yes	7–10 Yes
Building your foundation Focus on the 1–2 gaps most urgent for your stage. Use this guide to identify what needs to be true first.	Ready to accelerate You have the foundation. A few structural additions significantly shift your recruiting and retention in 12 months.	Move now — window is open Your market, your agents, and your ambitions are aligned. The cost of waiting is already accruing.

CHAPTER 6

If this guide has helped you conclude that revenue share is the right next move, this roadmap tells you exactly what to do over the next 30 days. Work through each phase in order. Each has a specific output that feeds the next.

Days 1–7

AUDIT

Run your numbers first — before designing anything

- 1 Complete the Brokerage Profitability Scorecard at rightally.io/brokerage-profitability-calculator. Know your current margin position — your recruiting cost leak, churn cost, and technology ROI gap — before you design a programme that addresses them.
- 2 Use the Revenue Share ROI Calculator at rightally.io/tools/revenue-share-calculator to model your annual pool at 3%, 5%, and 7% of total GCI. Write down the three numbers. These become your programme design options in Phase 2.
- 3 List your top 5–10 agents by production volume. These are your first internal advocates when you launch. Their belief in the programme matters more than the programme design itself.

OUTPUT

Output: Your profitability baseline + annual pool at three % settings + your internal advocate list

Days 8–14

DESIGN

Build your programme structure — keep it simple

- 1 Choose your revenue share percentage of total GCI. RightAlly programmes typically run at 5–6% across 5 tiers. Start simple — you can increase the percentage as the network grows and the programme proves itself.
- 2 Define your tier distribution. Recommended starting point: Tier 1 (35%), Tier 2 (25%), Tier 3 (20%), Tier 4 (12%), Tier 5 (8%). These percentages show how the pool distributes across the upline — not what individual agents earn per deal.
- 3 Decide on unlock mechanics. Does revenue share begin on a recruit's first transaction, or after a production milestone? Simple is always better. If an agent cannot explain the programme to a recruit in 60 seconds, it will not work in a recruiting conversation.

4 Draft a one-page programme summary your top agents can share. **Headline:** your annual pool number. **Supporting detail:** per-deal payout, how tiers work, what happens when they recruit.

OUTPUT **Output: Programme document — percentage, tier structure, unlock mechanics, one-page agent summary**

Days 15–21
INFRA

Set up the operational layer before a single agent earns

1 Choose your revenue share tracking and distribution platform. Manual tracking across 5 tiers and 50+ agents in spreadsheets produces errors that destroy agent trust. Every miscalculation becomes a conversation that costs far more than the error itself.

2 Ensure your commission data flows correctly into the platform. Every transaction needs to be captured accurately before revenue share can be calculated correctly. Test with 3–5 historical transactions before going live.

3 Verify all existing agents are mapped in the system and their recruiting relationships are accurately recorded. The upline structure must be complete before the first real payout runs.

OUTPUT **Output: Infrastructure live, tested with historical data, all agent relationships mapped, first payout verified**

Days 22–30
LAUNCH

Announce to existing agents first — every time

1 Announce the programme to your existing agents before any external recruiting. They become your first earners and first advocates. An existing agent who receives their first passive income payment — even \$47 on one transaction — is your most powerful recruiting tool.

2 Update all external recruiting materials. Every recruiting conversation from this point forward includes the revenue share story. The pitch is simple: 'You earn from your production. You also earn from every deal closed by the agents you bring here.'

3 Track three metrics in Month 1 only: recruiting conversations that mentioned the programme, new joins who cited it as a factor, and total passive income distributed. These three numbers tell you everything you need to know about whether it's working.

OUTPUT **Output: Programme live · Existing agents earning · Recruiting story updated · Month 1 tracking active**

Revenue Share ROI Calculator — use during Days 1–7 of your roadmap

→ rightally.io/revenue-share-roi-calculator

TOOL 3

Models your annual pool, monthly distribution, and per-transaction payout at your exact brokerage economics.

The per-transaction number — what flows across all 5 tiers on every single deal — is the figure that changes recruiting conversations. Know it before your first pitch.

You've Done the Honest Audit. Now What?

If any part of this guide made you pause — if you felt the gap between where your brokerage is and where it could be — that feeling is the most valuable output of this entire exercise.

You don't need a perfect score to have a useful next conversation. You just need one honest question you couldn't fully answer.

That question is exactly what a 30-minute call is designed to explore. No pitch deck. No pressure. Just an honest conversation about whether the timing and conditions are right for your brokerage — with someone who will tell you the truth either way.

BOOK A FREE DISCOVERY CALL

30 minutes · No obligation · For any brokerage ready to grow

rightally.io/book-a-call

Or email Srinu directly:

srini@rightally.io

Co-founder, RightAlly

RESOURCES FROM THIS GUIDE:

- **Revenue Share ROI Calculator**
→ rightally.io/revenue-share-roi-calculator
- **Brokerage Profitability Scorecard**
→ rightally.io/brokerage-profitability-calculator
- **Blog: Is Revenue Share Right for Your Brokerage? Here's How to Actually Know**
→ rightally.io/blog/is-revenue-share-right-for-your-brokerage

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