

# A Case for Outsourcing Your Real Estate Back Office and Commission Payroll

Why Small Brokerages Are Outsourcing Their Sales Transaction Processing and  
Commission Payroll, and Why It Might Be the Smartest Move You Make



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## Broker Owners Can't Do It All

Running a small real estate brokerage isn't for the faint of heart. While large firms may have entire departments to manage their operations, broker-owners of smaller shops often juggle multiple roles: recruiter, trainer, problem-solver, deal-reviewer, and yes, administrator. And when it comes to managing sales transactions and commission payroll, the complexity can be overwhelming.



This isn't your average payroll. In most industries, payroll is straightforward: salaried employees, hourly workers, predictable schedules. Real estate? Not even close. Every transaction is unique, every agent has a different compensation structure, and each deal comes with its own set of exceptions, deductions, bonuses, splits, or caps. For smaller firms, it's a time-consuming, detail-heavy job, often handled by the broker or a part-time admin who already have a full-plate.



**That's why more and more small brokerages are considering outsourcing commission payroll and back-office sales transaction processing.**

If you're already outsourcing regular payroll or bookkeeping, the concept won't sound foreign. What's different here is the level of complexity that real estate brings, and the fact that there are now outsourcing partners who specialize in handling exactly that. They understand the intricacies of custom agent plans. They know what a "desk fee offset" or "recruitment override" is. And they're equipped with powerful technology to process it all quickly and accurately.

## **For small brokerages, this shift can be transformative.**

Think about it: no more late nights reviewing commission statements, no more stress over whether a bonus was calculated correctly, no more trying to generate year-end reports by cobbling together spreadsheets. With the right outsourcing partner, all of that just disappears.



Instead, deals are processed automatically.

Agent commissions are calculated based on pre-set plans, with zero manual input. Sales activity is tracked in real-time. And both you and your agents can access everything, commission breakdowns, pending deal reports, monthly summaries, and all online, 24/7. It's the kind of functionality small brokerages usually can't afford to build internally but can now access through outsourcing.

## **Business Intelligence (BI) at Your Fingertips**

*Stop Guessing—Start Knowing*

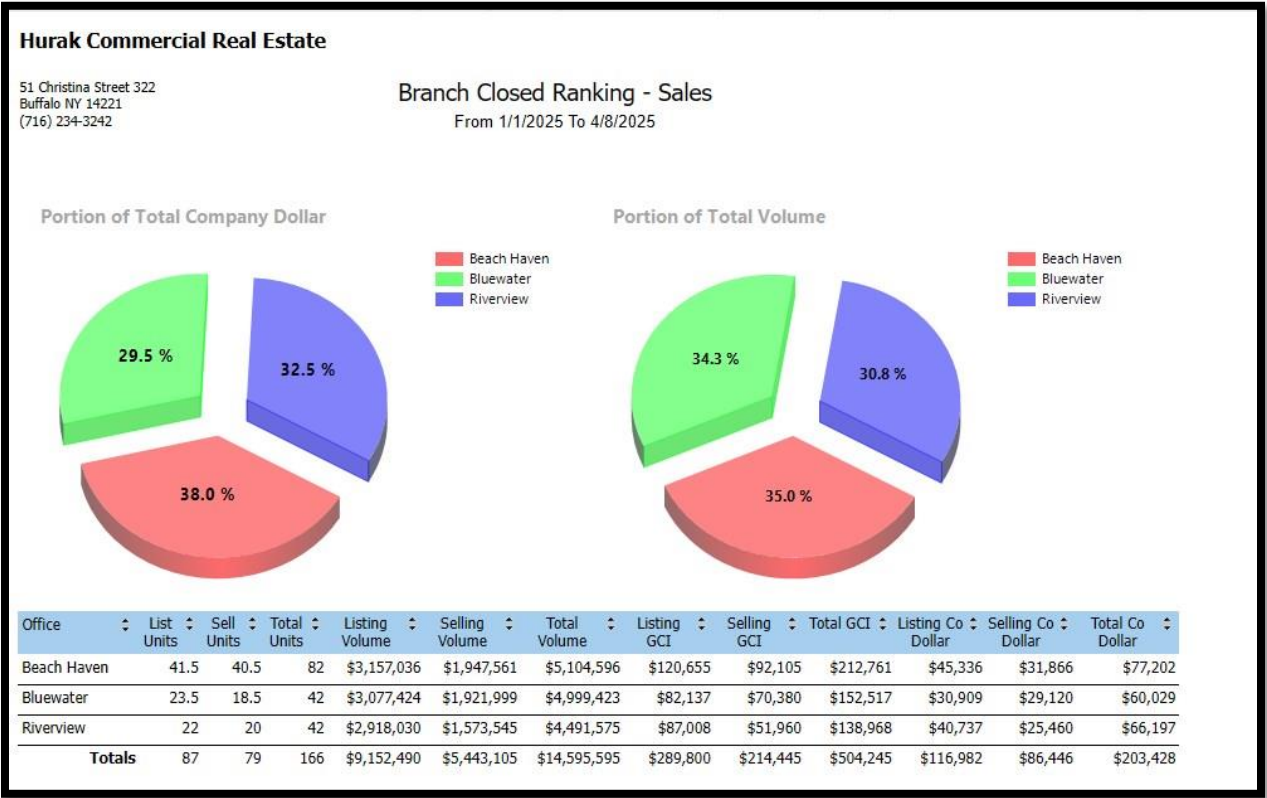


In today's fast-paced real estate environment, guesswork has no place in smart decision-making. If you don't know your numbers, you don't truly know your business. That's where Business Intelligence (BI) steps in.

BI and data analytics provide broker-owners with clear, actionable insights

based on real-time data, not outdated spreadsheets or gut feelings. With instant access to performance metrics, sales trends, commission structures, and profitability indicators, you gain the power to make confident, informed decisions that drive growth and efficiency.

Whether you're recruiting new agents, evaluating commission plans, or managing office performance, knowing the facts gives you a competitive edge. BI turns raw data into meaningful reports and visualizations, putting the right information in your hands, when and where you need it. Because when you can see what's really happening in your business, you can lead with clarity, act with precision, and succeed with purpose.



*Branch Closed Ranking Report*

Here are a few BI reports that a brokerage firm can access via a web-based reporting portal whenever required.

BI reports allow the broker owner to have instant real time updates on sales, revenue and profitability. In most cases, reports can be filtered by branch office, date ranges and more. Graphs and charts are often used to provide a quick executive snapshot of the data.

Ranking reports can be by office, by agent or for the entire brokerage firm. Instantly know who's your top agent, best performing branch office and net company revenue on sales activities.

**Hurak Commercial Real Estate**

51 Christina Street  
 Buffalo, NY 14221  
 (716) 234-3242  
 Report Basis: Closed Business

**Business Journal History**

Ofc	Period	Trans	Hse	List In-Side Only	Buy Side Only	Total Sales Volume	Volume Inhouse Only	Volume List Side Only	Volume Buy Side Only	Gross Commission Income	Co-Op Comms Paid	Referrals Paid	Service Fees Paid	Comms Paid to Agents	Gross Company Dollar
<i>Branch: 001</i>															
001	Mar-24	12	10	1	1	\$3,451,633.33	\$2,909,133.33	\$192,500.00	\$350,000.00	\$138,216.67	\$16,275.00	\$3,762.50	\$317.25	\$63,065.76	\$52,646.26
001	Apr-24	26	24	1	1	\$4,746,126.67	\$4,485,226.67	\$145,900.00	\$115,000.00	\$204,967.33	\$7,827.00	\$4,775.00	\$1,690.50	\$96,209.68	\$90,977.79
001	May-24	24	21	3	0	\$5,004,626.67	\$4,594,626.67	\$410,000.00	\$0.00	\$210,463.33	\$11,725.00	\$1,575.00	\$3,429.00	\$97,842.17	\$89,031.78
001	Jun-24	13	10	1	2	\$4,239,033.33	\$3,790,033.33	\$150,000.00	\$299,000.00	\$303,356.67	\$13,470.00	\$3,250.00	\$0.00	\$158,806.74	\$129,862.68
001	Jul-24	8	8	0	0	\$4,102,800.00	\$4,102,800.00	\$0.00	\$0.00	\$129,570.00	\$0.00	\$4,637.50	\$310.50	\$63,936.00	\$58,607.77
001	Aug-24	6	5	0	1	\$2,419,400.00	\$1,939,400.00	\$0.00	\$480,000.00	\$92,334.00	\$12,000.00	\$2,962.50	\$0.00	\$41,277.67	\$33,099.75
001	Sep-24	5	5	0	0	\$4,010,000.00	\$4,010,000.00	\$0.00	\$0.00	\$107,300.00	\$0.00	\$5,750.00	\$4,953.13	\$49,264.31	\$45,279.56
001	Oct-24	9	8	1	0	\$2,501,360.00	\$1,501,360.00	\$1,000,000.00	\$0.00	\$126,880.00	\$25,000.00	\$500.00	\$75.00	\$51,752.50	\$48,832.50
001	Nov-24	9	8	0	1	\$1,210,400.00	\$985,400.00	\$0.00	\$225,000.00	\$83,200.00	\$6,750.00	\$0.00	\$0.00	\$38,537.91	\$37,850.00
001	Dec-24	6	6	0	0	\$125,013.33	\$125,013.33	\$0.00	\$0.00	\$62,506.67	\$0.00	\$0.00	\$0.00	\$32,095.00	\$31,253.33
001	Jan-25	11	10	0	1	\$54,985.38	\$46,685.38	\$0.00	\$8,300.00	\$28,670.21	\$0.00	\$0.00	\$0.00	\$20,790.91	\$14,246.95
001	Feb-25	24	23	1	0	\$2,620,300.00	\$2,385,300.00	\$235,000.00	\$0.00	\$116,350.00	\$7,050.00	\$0.00	\$0.00	\$65,493.62	\$53,347.05
		153	138	8	7	\$34,485,678.71	\$30,874,978.71	\$2,133,400.00	\$1,477,300.00	\$1,603,814.87	\$100,097.00	\$27,212.50	\$10,775.38	\$779,072.26	\$685,035.42
		153	138	8	7	\$34,485,678.71	\$30,874,978.71	\$2,133,400.00	\$1,477,300.00	\$1,603,814.87	\$100,097.00	\$27,212.50	\$10,775.38	\$779,072.26	\$685,035.42

**Statistical Summary**

		Volume	Adjusted GCI	%		
Listing Side Only:	8	\$2,133,400.00	\$61,352.00	4.13 %	Average Sale Volume:	\$118,507.49
Buying Side Only:	7	\$1,477,300.00	\$49,970.00	3.37 %	Average Commission:	\$5,099.58
Both Sides:	138	\$30,874,978.71	\$1,372,655.86	92.50 %	Average Referral Fee:	\$93.51
Total Listing Units:	146	\$17,570,889.36	\$743,123.68	50.08 %	Avg Agent Commission:	\$2,677.22
Total Buying Units:	145	\$16,914,789.36	\$740,854.18	49.92 %	Avg Retained Ofc Dollar:	\$2,354.07
Total Revenue Units:	291	\$34,485,678.71	\$1,483,977.86	100.00 %		

*Annual Business Journal*

**Hurak Commercial Real Estate**

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 (716) 234-3242

**Agent Sales Ranking - Closed**

All Offices

From 1/1/2024 To 3/21/2024  
 Sale Type Single

Assoc Name	Comp\$	RK	Agent Income	RK	List Units	Buy Units	Total Units	RK	Listing Side Volume	Buyer Side Volume	Total Sales Volume	RK	List GCI	BuyGCI	Total GCI	RK	GCI %
Earle McCoy (28)	18,000	1	14,400	2	0.00	1.00	1.00	7	0	1,200,000	1,200,000	2	0	36,000	36,000	2	22.23 %
Amy Cecile (19)	16,276	2	24,774	1	1.00	1.00	2.00	1	1,200,000	235,000	1,435,000	1	36,000	7,050	43,050	1	26.59 %
Arthur Bestard (45)	8,135	3	8,135	4	1.00	1.00	2.00	2	359,000	220,000	579,000	3	10,770	5,500	16,270	3	10.05 %
Julie Western (16)	7,088	4	7,088	5	2.00	0.00	2.00	3	472,500	0	472,500	4	14,175	0	14,175	4	8.75 %
Harry Burns (56)	6,051	5	6,700	6	0.00	1.50	1.50	5	0	425,000	425,000	6	0	12,750	12,750	6	7.87 %
Aaron Taylorson (22)	4,875	6	4,875	7	0.00	1.00	1.00	6	0	325,000	325,000	8	0	9,750	9,750	7	6.02 %
Bobby Sue Jones (20)	3,772	7	3,772	8	1.50	0.00	1.50	4	337,500	0	337,500	7	8,866	0	8,866	8	5.48 %
Wesley Alberts (53)	2,700	8	10,800	3	0.00	1.00	1.00	8	0	450,000	450,000	5	0	13,500	13,500	5	8.34 %
William Donaldson (55)	2,100	9	2,100	9	0.00	0.50	0.50	9	0	140,000	140,000	9	0	4,200	4,200	9	2.59 %
Sue Grimes (13025)	1,317	10	1,542	10	0.50	0.00	0.50	10	117,500	0	117,500	10	3,366	0	3,366	10	2.08 %
<b>Totals</b>	<b>70,313</b>		<b>84,185</b>		<b>6.00</b>	<b>7.00</b>	<b>13.00</b>		<b>2,486,500</b>	<b>2,995,000</b>	<b>5,481,500</b>		<b>73,178</b>	<b>88,750</b>	<b>161,928</b>		

*Agent Ranking Report*

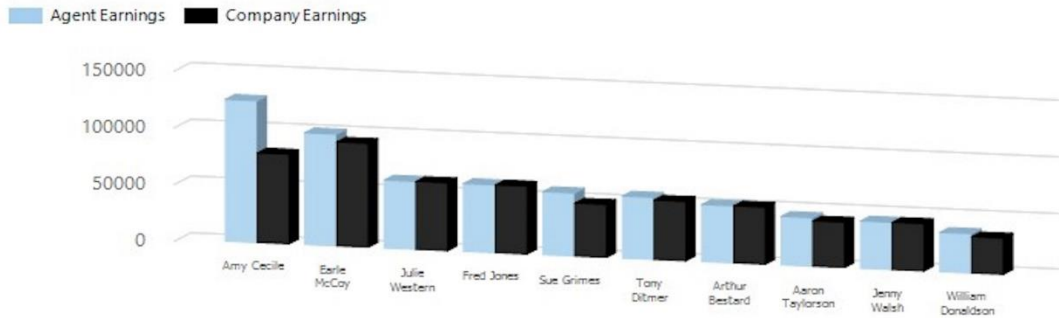
## Hurak Commercial Real Estate

51 Christina Street 322  
Buffalo NY 14221  
(716) 234-3242

## Top Performers

All Offices

From 1/1/2024 To 12/31/2024  
All Sale Types



Associate Name	Office Name	Agent Earnings	Company Earnings
Earle McCoy	Beach Haven	\$98,874.94	\$91,913.94
Amy Cecile	Beach Haven	\$125,471.71	\$79,252.43
Julie Western	Bluewater	\$60,023.00	\$60,023.01
Fred Jones	Bluewater	\$59,985.21	\$59,985.22
Tony Ditmer	Beach Haven	\$54,925.41	\$52,469.70
Arthur Bestard	Beach Haven	\$50,411.60	\$50,411.60
Sue Grimes	Beach Haven	\$55,838.91	\$46,838.01
Jenny Walsh	Bluewater	\$41,825.00	\$41,825.00
Aaron Taylorson	Beach Haven	\$42,936.58	\$40,096.99
William Donaldson	Bluewater	\$34,837.50	\$32,057.50
<b>Totals</b>		<b>\$625,129.87</b>	<b>\$554,873.40</b>

### Top Agent Report

## Hurak Commercial Real Estate

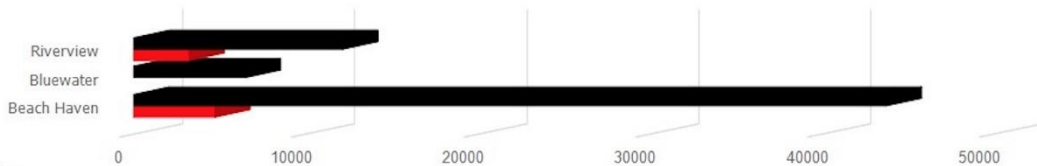
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## Branch Detail Pending

All Offices

Sales Projections

■ Total Pending ■ Over Due



Office Name	Next 7 Days	8 to 14 Days	15 to 21 Days	22 to 28 Days	Next 30 Days	31 to 60 Days	Over 60 Days	Over Due	Total Pending
Beach Haven	\$0.00	\$26,680.50	\$0.00	\$0.00	\$26,680.50	\$0.00	\$12,338.25	\$4,731.60	\$43,750.35
Bluewater	\$3,225.00	\$3,281.25	\$0.00	\$0.00	\$6,506.25	\$0.00	\$0.00	\$0.00	\$6,506.25
Riverview	\$0.00	\$8,942.50	\$0.00	\$0.00	\$8,942.50	\$0.00	\$0.00	\$3,225.00	\$12,167.50
<b>Totals</b>	<b>\$3,225.00</b>	<b>\$38,904.25</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$42,129.25</b>	<b>\$0.00</b>	<b>\$12,338.25</b>	<b>\$7,956.60</b>	<b>\$62,424.10</b>

### Branch Pending Deals Report

**Hurak Commercial Real Estate**

51 Christina Street  
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(716) 234-3242

**Cash Flow Projection**

Projections By

Next 7 Days:	\$3,225.00	Next 30 Days:	\$42,129.25	Total Pendings:	\$62,424.10
8 to 14 Days:	\$38,904.25	Next 31 to 60 Days:	\$0.00	<b>Red</b>	- Greater than two weeks past the estimated closing date
15 to 21 Days:	\$0.00	Over 60 Days:	\$12,338.25	<b>Yellow</b>	- One week past the estimated closing date
22 to 28 Days:	\$0.00	Overdue:	\$7,956.60	<b>Green</b>	- Closing within one week of the estimated closing date

Sale No	Contract Date	Estimated Close	Days to Close	Address - Lister/Buyer	Listing Side	Selling Side	Units	Volume	GCI	Company Dollar
43	I 9/7/2024	3/11/2025	-7	509 Murphy - Norman/Wong	Sue Grimes	Patrick O'Shea	2	\$480,000.00	\$13,200.00	\$4,731.60
6286	L 12/18/2024	3/31/2025	13	8345 Allen - Jacks/Westerly	Earle McCoy	Young and	1	\$500,000.00	\$15,000.00	\$7,500.00
6274	I 11/20/2024	4/1/2025	14	45 Carling - Hathaway/Jenn	Billy Joe Williams	Sally Jonas	2	\$980,000.00	\$29,400.00	\$10,290.00
6307	I 2/4/2025	4/1/2025	14	793 Birchw - Inness/Edwards	Patrick O'Shea	Patrick O'Shea	2	\$990,000.00	\$29,700.00	\$8,890.50
6299	I 2/5/2025	5/30/2025	73	78 Rosewoo - West/Riveres	Sally Jonas	Charles Peterson	2	\$1,130,000.00	\$33,900.00	\$12,338.25
				Beach Haven 001	<b>Branch Totals</b>		9	\$4,080,000.00	\$121,200.00	\$43,750.35
87	L 1/7/2025	3/26/2025	8	7309 Beach - Mathers/Summers	William Donaldson	Reliable R	1	\$215,000.00	\$6,450.00	\$3,225.00
13	I 1/15/2025	3/31/2025	13	21 Mayfair - Belrose/Quaid	Julie Western	Julie Western	2	\$300,000.00	\$7,500.00	\$3,281.25
				Bluewater 002	<b>Branch Totals</b>		3	\$515,000.00	\$13,950.00	\$6,506.25
92	L 11/4/2024	2/28/2025	-18	902 Wester - Penner/Douglas	Brenden Pelers	Norman Rea	1	\$215,000.00	\$6,450.00	\$3,225.00
80	I 1/15/2025	4/1/2025	14	839 Lakevi - Olsen/Bestard	Mike Tilerson	Aaron Taylorson	2	\$730,000.00	\$18,250.00	\$8,942.50
				Riverview 003	<b>Branch Totals</b>		3	\$945,000.00	\$24,700.00	\$12,167.50
<b>Total</b>				<b>Grand Total</b>			15	\$5,540,000.00	\$159,850.00	\$62,424.10

Cash Flow Projection

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Page 1 Of 1

*Cash Flow Projection Report*

**The Advantages Extend Well Beyond Convenience.**

There's a clear financial benefit as well. Employing skilled administrative staff to manage commission processing can be expensive, often difficult to justify for a lean brokerage.

Outsourcing shifts that burden, allowing you to pay only for the services you need, when you need them.

It delivers enterprise-level accuracy and efficiency at a fraction of the cost of maintaining an in-house team. In many cases, the savings on administrative overhead related to sales processing and agent commission payroll are significant, amounting to tens of thousands of dollars annually.



And then there's the trust factor. Agents today expect transparency and instant access. They want to know where their deals stand, how much they're earning, and when they're getting paid. If your systems are slow, manual, or inconsistent,

it can erode confidence and even push them toward more modern brokerages. By outsourcing, you gain access to the same level of reporting and visibility that big firms offer, without becoming a big firm.



This isn't just theory. Look at how small businesses across industries have embraced outsourcing for their most complex admin tasks. From accounting to HR, small teams are tapping into expert services that once seemed out of reach. Why? Because it frees them up to focus on what matters, growing the business, serving clients, and staying competitive.

That's exactly what commission payroll outsourcing does for small brokerages. It lifts the burden of a complex, non-revenue-producing task, and replaces it with a streamlined, automated, expert-handled solution.

One such service, **SMARTS** (Sales Management and Realty Transaction Solution), was developed specifically for small real estate firms. Backed by over four decades of real estate software expertise, SMARTS not only manages commission calculations with precision, but also offers full transaction processing, seamless integration with QuickBooks, and a 24/7 web portal where brokers, admins, and agents can view everything from deal progress to profitability reports, without touching a spreadsheet.



So, if you're tired of spreadsheets, buried in paperwork, or just looking for a smarter way to manage your business, outsourcing might be the most strategic move you make this year.

You don't have to do it all. You just have to do what you do best and let someone else handle the rest.



## Revenue Optimization Opportunities



Real estate broker owners can unlock significant revenue potential by leveraging a best-in-class back-office service, especially one equipped with technology that rivals enterprise-level solutions. While smaller brokerage firms often can't afford the same high-end tools used by national players, they still face the same competitive pressures in their local markets.

By implementing a few smart revenue optimization strategies, broker owners can not only offset the cost of outsourcing their back-office functions but, in many cases, boost their profitability.

### 1. Monitor Commission Discounting

Commission discounting is a common practice in real estate, but habitual discounting, especially below a firm's pre-set minimums, can severely impact cash flow. Advanced back-office systems can flag discounted transactions in real-time, allowing management to take corrective action. Automated adjustments can even be made to agent commissions to reflect the reduced company dollar, helping maintain financial balance.

### 2. Implement Off-the-Top Deductions

Typically associated with franchise fees, off-the-top deductions can also be used to recover legitimate business expenses such as marketing, technology, and administrative costs. Even a modest 1% off-the-top fee applied to each transaction can generate significant additional revenue.

### 3. Optimize Commission Plans

Many smaller brokerages use rigid, spreadsheet-based commission plans that limit flexibility. A modern back-office system enables more dynamic commission strategies that support both agent satisfaction and revenue growth. Consider the following options:

- **Adjust Breakeven Points:** Realign plan thresholds to recover the firm's operating costs earlier in the agent's production cycle.
- **Tiered Commission Plans:** Offer agents a progressive, multi-level structure. Broker owners can recoup costs in the early tiers and reward agents with higher splits once breakeven is achieved.
- **Market-Based Adjustments:** Align commission splits with current market dynamics, for example, lowering the listing-side commission when listings are abundant and sales are scarce, or vice versa.
- **Transaction Type-Based Adjustments:** Offer reduced commissions on co-brokered deals and higher splits for in-house transactions to encourage full-service closings.
- **Blending vs. Non-Blending:** Multi-tier plans can be designed to blend rates (averaging commission tiers) or not blend (apply the new rate only to future deals). While seasoned agents may request blended plans, newer agents often won't, giving broker owners a strategic edge.

#### 4. Leverage Off-the-Bottom Deductions

Another effective way to enhance revenue is through off-the-bottom deductions, applied after commissions are calculated. These deductions can be used to recoup costs for technology, admin services, transaction coordination, insurance, and other operational expenses. When implemented through a robust back-office system, they become seamless and efficient revenue recovery tools.

#### Final Thoughts

Individually, each of these strategies can improve profitability. Combined, they provide a powerful framework for revenue optimization, often more than covering the cost of a professional back-office service, while giving broker owners a significant competitive edge in today's market.

Certainly! For small real estate brokerage owners seeking relatable examples of successful back-office outsourcing, here are some pertinent case studies. These examples illustrate how small to mid-sized real estate firms have effectively utilized outsourcing to enhance operational efficiency, reduce costs, and focus on their core business areas:

- **NYC-Based Real Estate Management Firm:** After their previous accountant retired, this firm engaged Withum's outsourced accounting services. The transition led to streamlined processes, timely financial reporting, and efficient intercompany transactions, all without the need for in-house hires.

[https://www.withum.com/resources/case-study-real-estate-company-enhances-back-office-with-outsourced-accounting/?utm\\_source=chatgpt.com](https://www.withum.com/resources/case-study-real-estate-company-enhances-back-office-with-outsourced-accounting/?utm_source=chatgpt.com)

- **Watters International Realty:** By partnering with Paylocity, Watters International Realty overhauled its payroll system. The collaboration resulted in a more efficient, transparent payroll process, allowing agents instant insights into their commissions and enhancing overall operational efficiency.

[https://www.paylocity.com/resources/case-studies/real-estate-firm-lays-a-foundation-for-sky-high-growth-with-paylocity/?utm\\_source=chatgpt.com](https://www.paylocity.com/resources/case-studies/real-estate-firm-lays-a-foundation-for-sky-high-growth-with-paylocity/?utm_source=chatgpt.com)

### **Aaron Taylor – CEO of Lantrax, Inc.**



Aaron Taylor is the Chief Executive Officer (CEO) and President of Lantrax, Inc., a real estate technology company specializing in back-office management software for brokerage. He has over 25 years of experience serving real estate brokerage firms' back-office needs and is widely regarded as an expert in real estate transaction processing and operations.

Under Taylor's leadership, Lantrax has introduced flagship software platforms to meet the needs of brokerages of all sizes. For example, Profit Power serves as a comprehensive back-office and accounting system for larger real estate brokerages, while SMARTS offers an affordable back-office solution tailored to smaller firms. These platforms enable brokerage companies to automate transaction processing, commission calculations, and other critical operations, improving overall efficiency and profitability.

Taylor has also spearheaded strategic partnerships to drive innovation in the industry. For instance, he oversaw Lantrax’s collaboration with DocuSign to integrate DocuSign’s digital transaction platform with Lantrax’s Profit Power system, creating a seamless, paperless “lead-to-close” process for brokers . Under his guidance, Lantrax has become a trusted back-office platform for many of the nation’s top 100 real estate brokerage firms, reflecting his commitment to customer-focused innovation and service. His extensive industry knowledge and hands-on approach have made Taylor a respected authority in the real estate brokerage technology sector.

