

OSC Pay Structure

What builders are paying
and how do you stack up?



Introduction

The pandemic has changed a lot of builders' outlooks on the online sales counselor (OSC). I have heard stories of companies letting their whole department go, complete pay changes (lowering their compensation packages), and expecting them to work even harder than they did before for less money. Then there is the other side of it. Builders have risen to the occasion, took care of their OSCs through this crazy time and hired more team members and made sure that everyone was doing okay mentally, economically, and were staying healthy. Fast forward to the summer of 2022, the real estate market is changing again and fast. There are always many sides of a situation and I am sure those of you reading this could weigh in and determine where your company ended up during these past few years and how you are planning to tackle the latest plot twist to our industry. Let's get into how builders are paying their OSCs today and how you stack up (or if you are just launching an OSC team, how you can set it up).

OSC Pay

I get questions all the time on how much should an OSC make, how should it be structured, how should a builder be staffed and the list goes on. I started helping builders about 7 years ago when I worked at Lasso CRM. I had previously worked as an OSC and had established two different OSC programs at two different builders before joining Lasso. Lasso CRM catered to the OSC community and we knew there was not a place OSCs could go to share ideas. So, my former Lasso team mates and I started a Facebook group called Selling New Homes Online which focused on the online sales community (this community still exists today with over 1000 group members).



Through my work in the Selling New Homes Online Group and at Lasso, I would answer DMs and calls from OSCs, owners, managers, etc. and schedule calls to talk through all things OSC. I would help my builders get started and get their program off the ground. Pay was always a question and I started tracking how OSCs get paid across the country to give my builders some ideas on how they could set up their program.

Top performing OSCs in the country are making over \$100,000 (typically around the same amount an onsite agent makes). To give you an idea, ten years ago, I was making \$125,000 as an award winning online sales counselor. Since then, many OSCs have broken the glass ceiling and have made more than what I used to make. I know an OSC that was making \$200k at her peak. If you were to ask her, she felt like she was working around the clock and drowning. She understood that she could not keep up that pace. Her company has since hired more online sales team members and restructured her pay at least three times in the past few years. The issue she is now having is that her pay structure is the same as new and inexperienced OSCs joining the team after her years of success, a solid track record, and being a senior member of the team (insert mind blown emoji).

When the market changed two years ago, the demand increased and some OSCs were (and might still be) limited in being able to schedule appointments and in some cases making sales. This should not be something an online sales counselor should get penalized for. Making adjustments in pay may need to happen, but not in the way you think. You may need to reevaluate your OSC's pay due to corporate changes you make. If your OSC is a commissioned employee and you are restricting appointments and sales, this will impact their paycheck in a big way. If they can no longer make money in booking appointments and sales, they need to be able to make a paycheck or they will leave.

This is where I am seeing builders get creative. They are upping salaries to help their OSCs until the market normalizes. You can look at their average take home pay from the two years prior to the pandemic and focus on that as your average. The pandemic and housing demand is not decreasing the workload for your OSC, it actually increased it. The conversations are longer and more painful. People need a place to live and OSCs are comforting these buyers, answering their questions, and keeping them engaged, even if the builders are not able to sell them a home right now. **Someone needs to answer these phone calls, reply to the inquiries and give the best customer service your company has ever seen.** Why? People with horrible customer service experiences tend to speak more and often about that experience. Everything is done via social media. Consumers are talking in places you can't see or monitor. Social selling is a real thing. People look to their sphere of influence on social media to get trusted information. If you get lax on your customer experience at any point of your process (before, during and after the sale), you could pay the price long term.





Taking care of your front line workers (in this case Online Sales) is imperative to keep the energy going, sustain your brand image and keep morale up.

Online Sales team members are tired. They have been going hard for years and years and the past two years have been insane for them. They have been maintaining their home life during the pandemic but keeping the wheels from falling off at their/your company too. If they felt under appreciated and underpaid in the past, I can guarantee they feel it more so now.

Talk to your online sales person/team. Find out what they need. They all have bills to pay. Whether it is mortgages, daycare, electric, car payment, student loans, etc. Now that the market is shifting again, we are seeing inflation in gas prices, groceries, and really anything that you need to survive. I do not think any one is not impacted by this. Do not disregard your OSC's personal needs when you change their pay structure. If you do, you could be left looking to recruit, hire, and train (and potentially having to hire/pay an outside company to do this for you) to find you a new Online Sales team member. A good OSC is hard to find. I have seen companies that need to hire 2-3 new OSCs to replace one spectacular OSC. Do not let restructuring of pay be the reason you lose your all star player.



If you are hiring a new OSC, think about what their job responsibilities will be and their earning potential. Think about how you are operating your business today and how you normally operate in regular times. You can have a flexible pay structure based on appointments being set, sales being made, and the amount of leads, calls, customer service tasks they are handling per day. What skill set will they need? Are some of these things something you can task an entry level person/pay grade to do or is it something you need someone skilled and experienced. Different jobs require different skills and the pay should reflect what you are asking of your team.

If you are trying to coach someone out of a job/position, and they are no longer a good fit, restructuring of pay in a way that an OSC will not be motivated or happy is an easy way to get them to move on to a different company.

My recommendation for OSC compensation would be salary plus commission or bonus.

An OSC should be motivated to answer their phone or reply to an email fast. The only way to keep that motivation going is to compensate for performance. When thinking about OSC as a sales role, asking for the appointment is “their close”. I have always believed that OSCs should be compensated if that appointment becomes a sale. If you are capping appointments and sales or no longer taking appointments or sales, you will need to restructure your OSC’s comp package to give them a heavier base pay and potentially additional responsibilities. This will need to be a discussion on how they are spending their day, and how much time would or would not be available to add additional responsibilities too. I have talked to teams that are now paying OSCs salaries plus bonus. I do believe there will be more people open to this type of structure and could open the doors to hiring more people that may not apply because of the commission structure. I am and always will be someone that is motivated by the commission check but as I get older I realize there are more people that are not motivated that way. Humans like the assurance of a paycheck to plan their life accordingly.

This could be an option for you if you are trying to create an operating budget and know all of your costs. The teams paying salary do have bonuses based on performance, so there is still that motivating factor to make more money which seems to really be working for them.

Another shift I have seen since the OSC role is more established and OSCs are staying in their roles longer, is creating a tiered pay based on skill and responsibilities. If you have more experience or help train, coach, or do other things for the team/company, your pay would reflect that. Someone brand new to the role and training should have a pay that would reflect that. Crazy enough, I have seen the opposite of that too. As I mentioned earlier, I have seen senior online sales team members restructured to match those of newer team members. I would advise against this if you can. This is an insult to your seasoned sales team members and it is also a way to alienate your most experienced team members.

A skilled OSC can do the work of 3 status quo OSCs. If they leave, you will most likely have to hire 2-3 people to replace them. That leads me to another point. If you overwork a seasoned sales person and are not paying them (or recognizing their contribution) you could lose them. This will also put you back in a vulnerable position of needing to hire multiple people to replace your All Star player. If you don't compensate or get your OSCs help (back up), you are going to lose them from burn out or feeling under appreciated. The pandemic showed us with the Great Resignation.

Builders need to understand that onsite agent's pay should not get penalized or impacted if a lead comes from an online sales team member. Onsite agents should not be told that their overall pay is being restructured to hire an OSC. I have seen this happen and it has and will alienate your onsite team from your online OSC and sabotage your whole program. An onsite agent should not make "less" if the lead came from the online sales counselor.

I gathered compensation packages from different teams across the US before and after the pandemic.. This is a compilation of how OSCs get paid across the country and will give you something to think about:

1

Commission only

(\$100/apt, \$500/sale)

Draw if necessary on months you don't meet income requirements.

2

Salary plus appointment commission only

(\$31,000 (\$75 per appt)

\$35,000 (\$40 per appt)

\$36,000 (\$15 per appt)

\$39,600 (\$50 per appt)

3

Salary only plus year-end bonus

Salaries are ranging anywhere from \$35,000-\$60,000/year plus bonuses that range from \$5000-\$45,000 extra. Salaries are determined based on experience and skill set (job responsibilities). I am seeing

bonuses based on:

performance/contribution, surveys, company sales, and/or regional goals, quotas being met or exceeded, etc.

4

Salary plus appointment commission and sales commission

\$24,000 base/\$50 appt/\$150 sale

\$35,000 base/ \$50 appt/\$150 sale

\$35,000 base/\$100 appt/\$250 sale
(plus \$3000 quarterly bonuses)

\$36,000 base/\$25 appt/\$150 sale

\$36,000 base/\$100 appt/\$350 sale

\$37,000 base/\$50 appt/\$250 sale

\$40,000 base/\$50 appt/\$100 sale

\$40,000 base/\$100 appt/\$125 sale

\$50,000 base/\$35 appt/\$350 sale
(commission split with team member)

\$58,000 base/\$100 appt/\$50 sale

5

Salary plus commission on sale only

\$40,000 base/\$100 closing – no commission on appts
(2 person OSC team, they each get paid \$100 on every closing that comes from their team)

Things to consider when creating a compensation package are: geography, your real estate market, cost of living, job responsibilities, benefits (like paid vacation, holidays, sick time, health insurance, etc.), and lead volume. With this information, create a "total earning potential" for your OSC if they hit their goals. From this number, work backwards.

Determine how many appointments and sales an OSC would/should be able to schedule based on your current selling and appointment guidelines. If this keeps changing, then you will need to adjust accordingly.

If you want to keep salary on the lower side, make the appointment and sales numbers add up to a higher variable income and then subtract that commission variable income from total earning potential to come up with the salary.



Calculate Salary

TOTAL EARNING POTENTIAL
– **(COMMISSION, BONUS, & VARIABLE INCOME POTENTIAL)**

SALARY

The biggest change I am seeing since the OSC role was first created is builders paying salary positions or a stronger salary (less commissions/bonus) for a number of reasons: budgeting, appointments and sales are being capped, attracts more talent, etc. If that is your company's current pay or you are considering paying this way, you can follow this formula:



Calculate Salary

TOTAL EARNING POTENTIAL

■ **SALARY**

**COMMISSIONS
& BONUSES**

Take your goals (these need to align with your onsite sales goals/company goals) and then use the formula to figure out your appointment and sale commissions (and/or bonus).

If you are worried that this will change too much, you may want to look at the salary with the bonus incentive program. This is a bit more stable during uncertain times and the bonus always relates back to the goal/quota/etc. Teams will expect those to be different and fluctuate quarterly or yearly depending on how you give out quotas and goals to your team.

If you decide to pay your OSC as a contractor, you need to understand that they will be paying approximately 35% of their pay to taxes. The builder would not have to pay the payroll tax for this person but the contracted employee would pay this on their own. This should be accounted for when determining how you pay your contractors.

Blind Spots

I have witnessed builders make some vulnerable mistakes over the years in setting up the OSC position. The two main things I want to bring up as recurring blind spots to many hiring managers and builders are understanding state employment laws and real estate laws. These are two places that can cost a builder money if they are not done right.

Exempt vs Non Exempt:

You need to know your state's exempt and non exempt employment status rules and how you are required to pay. For instance: non exempt salaried employees qualify for overtime pay. If you are reported violating the rules, you could owe your employees back pay. This has happened to multiple builders and they did not realize that they had the wrong status on certain team members and made mistakes in the compensation (sales assistants, OSCs, etc.). They had to pay each employee a significant amount of money after an audit and investigation was done.

Real Estate License:

The other vulnerability I have seen are OSCs that are not licensed in states that require them to be licensed. If this happens to your home builder and you are reported to the state, you could get fined and/or penalized. The Real Estate commission does not give passes for ignorance. It is your job to understand the real estate laws in every state you are operating in. My advice is to call your state commission and ask specifically about online sales (and potentially sales assistants and design studio teams too) if you are confused or unsure about the laws in your state. Every builder I operated an OSC program in had all OSCs licensed so there was never a question or doubt of what was legal or what was not legal for them to share

with potential buyers. It is also important for your OSCs and any other employee in sales, marketing and design studios to understand real estate laws and Fair Housing like: redlining, steering, racially exclusive marketing, and blockbusting. Be sure to understand who needs a real estate license to do their job and who does not. Blind spots that go unnoticed can cost your company money and so much more if you don't know federal and state employment and real estate laws.





Conclusion

The Online Sales position has been "formally" around for 16 years or so and pay structure keeps evolving as new skills and responsibilities will be needed. New and improved digital online sales processes are being created across the country. I do believe the role of the OSC will grow or a new role will be an offshoot of what we know today as onsite and online sales. It will be a mixed and hybrid skill set.

I had a great conversation the other day with an online sales leader and she is a strong proponent of creating a career path for the online role. She has entry level, mid level, and high level online sales team members and their pay reflects that skill level. Each team member has different responsibilities and skill sets and their compensation aligns with their contribution.

There are so many creative ways you can pay your team and you need to be able to read the room. If your online sales team is not happy, you need to figure out what will motivate them, what will make them happy and determine if you can make it happen. I remember an old boss asked me what I wanted as a Christmas gift and I said an extra day off. Time off with my family was some thing more important to me then a gift card, a coffee maker or really anything else (besides of course, a raise). You can use your resources and brainstorm. Talking to your team is often the most enlightening and rewarding to figure out how to move forward. If you can't give your team what they desire, having a candid conversation of what you can and can't do will give your OSC the transparency they are looking for so they can decide if your company and the role is the right fit. If you find that your OSC needs "more" and you can not offer it in that position, see if another position within your organization would be better. It is easier (and less expensive) to move people around then to recruit and hire brand new people.

I will be following trends and will continue to update this information as the market and industry continues to evolve and change.

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About the Author



Sara Williams is the first National Association of Home Builders Sales and Marketing Council Gold winner for her work as an Online Sales Counselor in 2013 at Heartland Homes - Pittsburgh, PA. She started her career 18 years ago as an onsite salesperson. Four years later, she moved into the home office as a marketing coordinator and helped establish an online sales program that grew to a team of three. This team assisted in 50% of all sales for the company and Sara participated in 35% of all company sales on her own. After almost a decade at Heartland Homes, Sara got recruited to Sabal Homes (now Toll Brothers) in South Carolina to lead a marketing department and establish an online program there as well. For the past 8 years, Sara has been consulting home builders all over North America on onsite and online sales, marketing, technology, and training through her work with various new home technology companies. Sara is currently the Director of Sales at Anewgo and living in Charleston, SC with her husband, three children, and dog.

Connect with Sara:

Facebook at Elevate New Homes Community Group:

<https://www.facebook.com/groups/980438546163018>

Linked In:

<https://www.linkedin.com/in/sarawilliams-74b24318/>