



Brokerage Real Estate Technology

An Industry Needing Backbone

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Brokerage Real Estate Technology

An industry with no backbone

Brokers, large and small, face significant challenges they did not face 20 years ago. Profit margins have eroded and control over their independent contractors has been minimized. The consumer has taken on a much more vocal role in the process and is forcing transparency and responsiveness never before experienced. Some of these challenges are related to technology and the advance of the Internet while others are cultural challenges that have come about through the changing broker/agent relationship.

Most Brokers really do not have a clear view of their operations from front to back today. With increased expenses and aggressive competition this is more important than ever. Broker systems have developed over time and are typically made up of multiple products from multiple vendors that were not developed to work in an integrated fashion. The result is numerous points of entering the same data over and over and not being able to share data easily between modules.

Brokerages are experiencing cultural challenge as well. Consumer and industry pressures are forcing an evolution in the role of the Broker and the services they offer for today's agents. The sense of community that used to be evident in every brick and mortar office is largely gone. Agents are mobile and more independent today. Smartphones, wireless Internet and even wirelessly enabled laptops, iPads and tablet PCs have changed the way agents do business. Many Brokers, however, still approach business the way they did before the Internet and this is a losing battle.

Brokers today face numerous issues to make their business profitable. Technology is both part of the problem and the solution. Brokers that run their offices the way they did ten years ago are a dying breed. If there is one absolute in our business world today it is the fact that change is happening exponentially. To be successful, Brokers need to reinvent their businesses on a continual basis. Having the right infrastructure and view into their business is a key element to allow them to navigate these changes.

This paper explores the issues Brokers face today in choosing technology and in recreating their value proposition. It examines how brokerages need to evolve from a pure brick and mortar approach to technology that will allow them a clear view of their business while creating a virtual community to meet the needs of today's modern agents.

How Did We Get Into This Mess?

The Problem and the Old Broker World

To appreciate what has to be done to solve these issues it is helpful to look at the typical Broker's world today and see how it has changed as a result of technology advances. The shifts that have occurred within the Broker's world in the past several years have been dramatic. Most brokers have become more reactive than proactive and it has limited their ability to look at their

technology requirements holistically. It has also limited their ability to fine-tune their businesses at a time when it is needed the most.

Throughout the country Brokers are struggling to survive and to remain relevant, as agents have taken more and more control of the real estate process while consumers have demanded more and more information and responsiveness as well.

Broker brands, even major ones, have lost power and relevance. Brokers today have less control over agents than they once had when brick and mortar brought them all together on a daily basis and MLS books ruled the day. Technology has loosened the ties that once banded the troops together.

Within the Broker's office many manual processes have been replaced with a network of products strung together from the back office to the website. In some ways, these products are strung together with rubber bands and paper clips, or not at all.

In recent focus groups conducted by WAV Group, lack of technology integration was one of the key complaints voiced by both Brokers and Agents. Broker technology solutions are prevalent, but there are few seamless solutions that connect the broker's consumer-facing technology needs with the ability to work effectively with agents and back office management systems. Often these disparate "moving parts" do not "talk" to one another or share information and the same information has to be entered in system after system. The back office system does not integrate with the marketing system or the lead generation system, for example, and some of the same data has to be entered in each of these products because there is no infrastructure or standard behind the products linking everything together. Additionally, there is no opportunity to leverage the power of these products together to create a more complete and accurate view of the overall business.

This is Not Your Father's Brokerage!

In the late 70's and early 80's, most brokers were not computerized. MLSs were just beginning to computerize and the entire real estate process was centered around the office and the MLS book. The MLS book was the Holy Grail of real estate and the office was the church that it came from. If you wanted to be in real estate you needed to go to church, I mean the office, and you needed the book, which only the priest, I mean the Broker, could dispense. It was a great old system and it worked well for all involved.

Agents as keeper of the Holy Real Estate Grail, bestowed upon them by the Broker, were seen as necessary and critical to the real estate process and since the Broker was where agents had to go to get access to the books, Brokers had power. The office itself was important too because remote communication didn't exist in any real usable context. If you wanted to learn something you had to talk with someone face to face. Brokers managed their businesses and agents listened if they wanted to work there. There were office meetings and "social networking" around the water cooler and a sense of belonging. Brokers controlled their brand and provided their agents a "community" to learn, share information, resolve issues and to get the needed MLS books. It was a simple time!

Today, while the world changes around them, many real estate companies still try to run their businesses using this old model. There is a good amount of denial going on in our industry with many still clinging to models that have simply “had their day”.

The New Real Estate Broker World

Times have changed. The 90’s came and brought the Internet and nothing has been the same since. The computerization of real estate has flipped our industry on its head in many ways and Brokers may have taken the biggest flip. In some ways it is better but in some ways it has created changes that many haven’t come to terms with yet. The industry has largely shifted from being Broker centric to Agent centric. Broker’s who once controlled agents with a key to the office and the MLS book found they have lost their leverage. Few have recognized the Internet has actually created a consumer-centric industry and this has hurt them as well.

The reason this is important from the context of this paper is to point out that a fundamental shift occurred in the “culture” of the broker office that was a direct result of this shift and advance in technology. This technology allowed the agent to get the data they needed without a book, without even an office computer and without being in the office. The result, over time, was a lessening of the dependency that agents felt toward the brokers.

As this shift occurred other things happened as well. Brokers faced with increasing expenses shifted costs they once handled, like advertising, more and more to the agents. New franchises sprang up. RE/MAX and other companies employed the 100% concept that moved all costs to the agent. More and more was pushed to the agent and agents pushed back. If they were going to take on more of the expense, they wanted more of the commissions. Top agents became offices in themselves. If brokers weren’t going to advertise the way they used to then agents would do it themselves. They did. They became their own brand. They moved farther and farther away from the traditional real estate model with the broker as the keystone. The agent population in many ways had “gone native”.

Brokers in the meantime were busy adapting technology and looking for ways to improve their businesses, reduce costs and create a competitive edge to recruit more agents to cover splits that were shifting the wrong way, towards the agent. As splits began moving in the agent’s favor, Brokers found they were competing with agents for brand recognition and struggled to find ways to recruit and maintain relevance and control. They automated, they updated and they provided technology to help agents. They put in back office systems and front office systems. They set up drip campaigns and websites. They set up automated scheduling and productivity products for their agents. Some installed Transaction Management systems. They syndicated listings and created tools for lead generation and lead tracking.

Brokers truly embraced technology but instead of reducing costs in many cases it did the opposite. All of these different products required additional training and each product was an additional expense. Adoption was often weak at the agent level. Often, the same data had to be entered separately into each module because the modules were not integrated. As a result,

technology did not reduce expenses but instead raised it due to the need for staff to manage all of these different products and services.

On top of these direct technology changes, Brokers noticed the importance and role of their offices had changed. They were still paying for the brick and mortar and agents still came by but things had changed culturally for Brokers and agents, and not necessarily for the better.

There are exceptions however, and some Brokers and real estate companies did evolve along with these changes. The fastest growing franchise today, Keller Williams, is a great example. They saw the writing on the wall and built their franchise to go with the flow. They have created a common platform for reporting statistical and financial data. They do not compete with agents but have rather adopted the company value that the agent is the brand. They have also created a sense of community within their brand that provides relevance for their brokers and franchise. They have embraced the growing independence and brand building at the agent level. We aren't promoting this as the "right" way but they certainly have shown, through their expansion, that something is working!

We will come back to this sense of community **later** in the paper **and discuss** ways brokers can use the technology that helped destroy the old broker culture, to build a new sense of community based on how business is really done today

The Maze of Broker Technology

Brokers are amazing people. They are leaders, motivators, trainers and counselors. As part of their business they also need to be able to select and implement technology to serve their needs and the needs of their agents. As the Internet has unfolded and more and more processes have become automated, brokers have been required to develop totally new skill sets, or hire them, to address these technology needs. There are many areas within the Broker's world that require automation. Here is just a partial list.

| | | |
|----------------------------|---------------------|---------------------------|
| Accounting | Billing | Back office system |
| Forms/contracts | Document management | Transaction management |
| Contact management | Lead generation | Lead management |
| Lead conversion monitoring | Front desk system | Advertising management |
| Listing syndication | Blogs/social media | Broker website |
| Showing scheduling | Market statistics | Internet monitoring tools |

Many companies, small to large, have implemented multiple products to address these areas. Implementation has taken place over time and as a result we find that companies have many different products, from many different vendors, addressing each issue individually. This fact, while it is totally understandable, has created a bit of a nightmare in terms of trying to get these products to work together. When you couple the fact that our industry does not really have data standards to help manage this process you realize the problem is quite formidable.

Our Industry is Spineless

The Broker technology industry does not have a “backbone” or infrastructure that allows for the unique products to work together seamlessly. While I can plug my Sony DVD into my Toshiba HDTV and have it work perfectly and I can even manage both with a single remote control, I can’t have my Broker accounting and membership system talk to my lead generation system in any meaningful way if they come from different vendors.

Would you build a house room by room using different contractors for each space with each contractor working from a design that they created? What if each contractor was given plans that provided general requirements they had to adhere to like how many doors, closets, windows, size, etc., but they didn’t specify style. What if it included requirements for plumbing and electricity but it didn’t include specific requirements on pipe size or type or the amperage requirements on the electrical system? Can you imagine the house you would end up with? You might have a Colonial style entrance transitioning to a Tudor section that was attached to a ultra modern wing...you get the idea. Plumbing might go from half inch copper to quarter inch plastic from room to room and from 20 amp service to 15 amp service from section to section.

Would the house work? Yes, things could be connected with the right “special” connectors. It would be dry, have power, water would flow, there would be a space to cook and put furniture, but it would also be lacking some really great things. It would lack a consistent look and feel. It would lack a consistent style and it would require additional contractors to come in to “connect” the sections of different plumbing and wiring. It would not make you feel “comfortable” walking through and based on how different sections were it could be totally confusing. In short, it would be a mess. Basically you would have a house built without a solid infrastructure. The end result would be nothing but the gluing together of different pieces.

In many ways, this is what Brokers face today as they face the daunting task of building an automated solution to manage their businesses. They need numerous solutions from accounting and back office systems to contact management and marketing tools to website tools.

Much like the house built by different contractors, what they end up putting together might work but in many cases these processes are far from elegant, lack a consistent look and feel, and are often lacking in their ability to work in an integrated fashion. They weren’t built with a common interface or even a common standard. They might be able to share data at some level but it is very likely that this data sharing will be limited.

People using these different products will also note that the look and feel of each is totally different and each requires a separate learning process. Moving from one to the other will not “feel comfortable”. The result is that in spite of highly computerized processes and automated systems many pieces of the broker’s world are like the house built by different contractors. Parts will still be fairly isolated requiring extensive manual intervention to keep things in sync or they will require “specialty products” to connect them. It is not in most cases an elegant or optimal solution and there may be extra costs involved! If you compare these tools to a body you might say our Broker technology body does not have a backbone or infrastructure to manage data throughout, but are rather a bunch of separate, uncoordinated parts!

Lack of Broker Infrastructure in Practice

To illustrate how this lack of infrastructure affects the average real estate office, think for a moment what happens when an agent leaves an office or you have a simple change to a phone number or an email. Here are some of the areas that might need to be touched to make sure your data is updated correctly.

- Office roster
- Accounting system
- Back office/billing system
- MLS system
- Marketing/communication system
- Floor time roster
- Broker website
- Agent website
- 3rd party sites – i.e., Realtor.com, Zillow.com, Trulia.com etc.
- Advertising system
- Email system
- MLS system
- Franchisors
- Real Estate Boards

How is this accomplished today? For the most part it is done manually. The administrator for the office has developed a process and knows all of the things that have to be done to make this change occur. Even so, we have all seen times where agents move offices and their information still shows on the former Broker's site or new agents join a firm and no information can be found. This is just a simple example and just the tip of the iceberg of non-integration.

Lack of Integration – Limits Ability to Track ROI

Integration and problems of infrastructure are not confined to personal information. There are numerous points within a real estate business where it would make perfect sense to share data and have one business module talk to another business module. For example, an office might run a marketing campaign where they implement a new web strategy. This strategy would have an associated cost within the budget and over time the Broker will want to see the impact of this plan to their bottom line. Leads may result from the campaign that gets captured over the Internet. Through a separate CRM system these leads may then get moved through the company and over time a certain percentage of them may result in closed business and revenue to the company.

The Broker ideally would like to track the number of leads generated, overall web activity resulting from the plan, the number of lead conversions, by agent and overall cost per lead. To do this today, with multiple systems in place from different vendors, would require a great deal of manual intervention. With the right infrastructure or with a product set provided by one

vendor, this data ideally can flow from one end of a broker’s business to the other without any manual intervention. The benefits are pretty obvious.

Unfortunately this is not what happens in most real estate offices today. Systems have been put together without a common thread, because one did not always exist. It wasn’t that Broker’s made bad technology decisions it is just that they didn’t have any options for a more integrated solution in the past.

Creating “Infrastructure” in the Broker Technology World

Infrastructure is the framework and foundation that allows for any structure, process or system to be created and to work seamlessly with all of its related parts. From buildings to computer systems to legal systems, infrastructure is critical for the entity to work optimally. Infrastructure is the piping that allows information to flow seamlessly within any structure or process. Our industry has pieces of infrastructure, but we lack a cohesive standard that allows all processes within a brokerage to be connected seamlessly when the products are supplied by different vendors.

This is where a large part of the problem lies and also why we are seeing some technology companies begin to address it effectively with broader, more tightly integrated product platforms. From the smallest office to the mega office many Brokers are feeling the impact of using multiple vendor’s products to support their operations. The problem is clear. They don’t integrate. There are lost data and business management opportunities as a result. The following chart shows a partial list of broker products that we pulled from RETechnology.com, a portal that is focused on real estate technology products.

Broker Technology Product Categories

| | | |
|--------------------------|----------------------|------------------------|
| Accounting | Advertising products | Agent rankings |
| Appraisal products | Back office | Blog sites |
| Broker website | CMA | Contracts/forms |
| CRM Products | Digital signatures | Document management |
| Expense tracking | Floor scheduling | IDX products |
| Lead generations | Lead management | Listing presentations |
| Listing syndication | Market analytics | MLS system |
| Mobile broker/agent apps | Mortgage products | Online fax |
| Online marketing | Photography services | Recruiting |
| SEO | Social media | Transaction management |
| Virtual tours | VOW websites | |

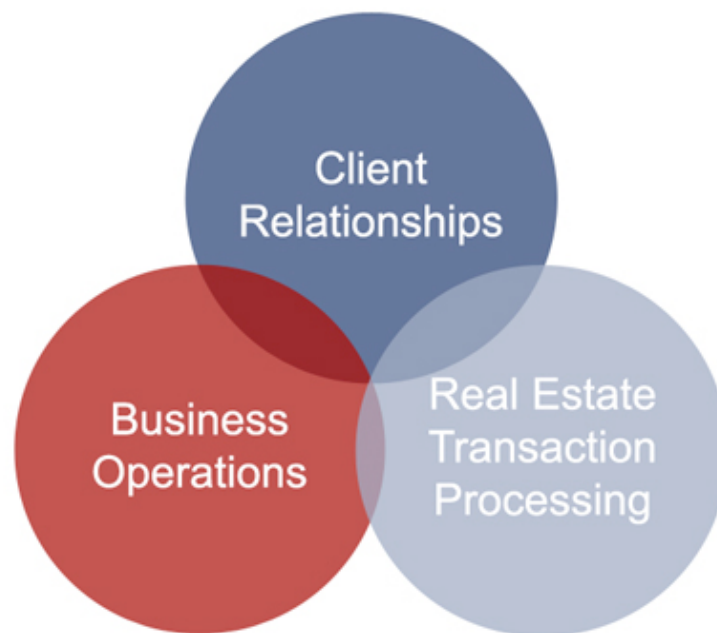
In a perfect world, every single system shown above should be able to share data with each other. In a perfect world, we would enter data once and that data would flow throughout the organization wherever it is needed. Redundant data entry would be eliminated.

Who is Doing it Right!

The situation we are dealing with in the real estate Broker's world is really very similar to other examples we are all familiar with. If we look at some of those examples it points to a logical approach for Broker's to consider as they work to establish a more elegant end-to-end solution for their businesses. The benefits we are looking for with this improved infrastructure are very clear:

- Better ways to measure effectiveness of marketing efforts
- Reducing or eliminating redundant data entry
- Gaining control of data throughout the real estate operation
- Creating a clear picture of the company from beginning to end
- Establish an infrastructure to allow for informed business decisions

Recently WAV Group conducted focus groups and in-depth interviews with brokers from around the country. One broker we interviewed put it very well. She sees the need for technology to help her in three key areas of her business.



1. First she wants technology to help her generate, nurture, convert and maintain customers for her business.
2. Second she wants to make the process of transacting business more efficient, with less risk and less cost.
3. Third she wants to use technology to streamline her business operations.

She believes that technology companies need to develop methods for seamlessly connecting all three of these business needs into one business suite that connects easily to the MLS as well as her back office accounting systems.

Examples of Good Infrastructure

Why have franchises been so successful? Why are there really only two major computer operation systems - Microsoft and Apple? Because, in both cases they provide an infrastructure that allows the business or process to work more effectively. When you buy a franchise, what you are buying is a system. The system is intended to streamline, as much as possible, operational areas of the business, so franchisees don't have to recreate the wheel. Along with a brand and a support network comes an infrastructure for things like procuring product, reporting, business analysis, marketing, etc. Large franchises send leads to individual agents and provide the tools to monitor the responsiveness of each individual agent. If the agent does not follow-up quickly enough they will be removed from the lead allocation process.

Do you think owners of a MacDonald's franchise know how their location is performing? Definitely! They are plugged into to a network of market statistics and data analysis that provides them a clear picture of their business so they can manage their profitability on an hourly basis.

If we look at software and operating systems we see other similarities. In the early days of business and productivity software there were many choices for Word Processing and Spreadsheets. There were different filing systems and database programs. Companies like WordPerfect, WordStar and File Maker competed for users. Today, things have changed. Yes, there are still numerous individual products but the majority of users have picked a platform that provides a more "integrated" infrastructure, either with Microsoft or Apple.

If you buy Microsoft Office, you don't go out and buy a separate spreadsheet package, you use Excel. Why, because it works with all of the other Microsoft products. You can move freely between PowerPoint and Word, or Excel and Access. The infrastructure exists to allow for easy integration. The same is true for Apple products, maybe even more so. Apple has done a great job of making it painless to integrate different Apple or Apple approved products. The problems occur when you want to go from Microsoft to Apple or vice versa. We still don't have a perfect world there yet.

With real estate, things are evolving in a similar way, but as it always seems to be in real estate, the process is taking a little longer. The good news is that we are finally beginning to see vendors that offer integrated modular solutions that offer levels of integration in more areas of the Broker business. Brokers now have some better choices.

If we take a look at the evolution of Broker real estate products we see the process is very similar to the process we have seen in the larger software industry. The need for integration is being addressed, not by standards, but by forward thinking vendors who are creating a set of enterprise level products to manage broader pieces of the real estate business.

Integration and the New “Virtual Brokerage Community”

We believe technology, while it has caused challenges for brokers today, can also be the building blocks to create the new virtual office community. Brokers can once again be the rallying point for their agents and their businesses when they use technology in ways that match the new agent paradigm and replace their old “brick and mortar” community, with a new “technology based” community. Like the old community the Broker will be key in guiding, educating and supporting their agents. Agents will receive value in the way they want it today. Agents will feel connected as they once did by going to the brick and mortar location but will not feel trapped or slowed down. This community will acknowledge the reality of how agents want and need to do business today. This new brokerage will provide:

- Integrated services
- Data efficiency and no redundancy
- Clear views into business processes
- Tools for agents that minimize input and maximize benefits!
- An education center that is virtual, available 24/7
- Business tools need to reduce expenses and maximize profits

Take the Test!

Does Your Company Show the Signs and “Pain” of Non-integration?

What happens when infrastructure is not solid and mature? Whenever there is a multiple vendor vs. a single vendor approach for processes that stretch throughout an organization you will see some of the same issues:

- Lack of understanding of success drivers for the business
- Redundancy in data entry
- Need to work with multiple product interfaces
- Increased costs for staff and service contracts for support for multiple products?
- Increase training costs
- Reduced agent product adoption
- The need to find products/fixes to convert data from one system to another to help them “talk” to one another
- Extensive consulting fees to evolve technology solutions

When businesses adopt products from multiple vendors, in an area where strong standards don't exist, the need for integration doesn't go away but providing it becomes more complex and expensive. In these scenarios you begin to see loads of “specialty” solutions designed to solve the problem. Products are created to do nothing more than to link other products together so they can communicate and share information. Software is created to move data between products or, worse yet, data is not shared. Numerous examples exist of vendors charging high fees to create processes that allow for data to be shared. Take MLS systems for example. It was not uncommon in the 90's for MLS vendors to bill 600 hours of programmer time for conversion of MLS data from one vendor to another. At \$100 an hour that equates to \$60,000 for a one-time conversion. If MLSs wanted to share data on an ongoing basis conversion programs had to be

written and maintained also at a considerable cost. While Brokers may not face this exact problem there is no question that data ideally would be shared and integrated throughout an organization and that in most cases it simply isn't happening automatically.

Ask yourself the following questions:

| Questions | Answer |
|--|--------|
| <ul style="list-style-type: none"> ○ How many points within my real estate company do I have to enter the same information? Use the following as a guide, but there may be more! ○ Office roster ○ Accounting system ○ Back office/billing system ○ MLS system ○ Marketing/communication system ○ Floor time roster ○ Broker website ○ Agent website ○ 3rd party sites - i.e., Realtor.com, Zillow.com, Trulia.com etc. ○ Advertising system ○ Email system ○ MLS system ○ Franchisors ○ Real Estate Boards | |
| <p>1. How many different products do staff and agents need to learn to take advantage of all products offered?</p> | |
| <p>2. How many different products does your company pay support fees for?</p> | |
| <p>3. What are the training requirements in your company? Are there multiple trainings required to master all available products?</p> | |
| <p>4. Do you currently pay fees to manage data conversion between products?</p> | |
| <p>5. If you don't pay fees to manage data between products are there products in your organization you would like to be able to share data between?</p> | |
| <p>6. Have you had to pay for outside consulting or technical assistance in the last 3 years to resolve technology issues in your company?</p> | |
| <p>7. Have you ever wanted to see data from one product in another for ease of entry or data analysis?</p> | |

If you find that you are experiencing one or more of these issues in your company, you are not alone. Today you have better choices however! If you have these business “pains” it may be

time to consider a serious look at technology that is available today that can help you tie your processes together to eliminate some, if not all of these issues!

New Real Estate Products Offer Hope!

Integration is improving throughout our industry. The MLS world today is an example of evolution in process. There isn't "true" integration across all products but specialty solutions have gotten better and more sophisticated. Now vendors like Cure, and CARETS act as the data conduit between disparate systems. MLS vendors like CoreLogic, LPS and FBS offer options as a part of their standard menu of products that can tie together different MLSs pretty painlessly. We have better conduits and connectors. But, they are still examples of interim solutions that are a result of our lack of standards and infrastructure in our industry.

In the Broker world today there are improvements as well. Standards don't exist but now there are vendors that are offering a broader product set that provide advanced levels of integration. We are seeing vendors now offering products that stretch from back office to the web, offering the first chance for Brokers to truly get a clear view of their businesses, and to use data more easily throughout the organization. Other companies have taken a similar approach to the data supply side of the Broker business offering product sets that manage the MLS data integration process while adding to it a full package of data products to support the buying and selling process. Data like neighborhood information and homeowner demographics sit next to active and sold listing information. The beauty is Brokers don't have to go out and piece this information together; they can work with a vendor that provides an "integrated" set of data.

Today, a new brokerage without the burden of legacy systems has choices that didn't exist five years ago.. Brokers building their infrastructure today can select a vendor partner that can offer them financial management as well as web management and lead generation. If they want data aggregation there are companies that supply this along with expanded data sets, all from a single feed. More complete product sets exist and the benefit of looking at one vendor for these products is clear, it provides for infrastructure and better data flow between business modules.

Broker Case Study

Ron Hunter, the owner broker of a Coldwell Banker real estate company in Hamilton, Ontario shared the dilemma he faced for many years as a franchise owner, working with multiple products within his master franchise operation. When he left the franchise side to open his own Coldwell Banker brokerage he realized he faced the same set of problems. He was operating numerous solutions throughout his company with different interfaces and little connectivity.

Ron said the challenge is true for any real estate company. Traditionally their world has been a very inefficient business, with different systems all through the process from accounting and back office to listings and front desk. Now with the demands of the Internet things have even gotten more complicated with potentially even more points of "disconnection".

Data Sharing and Single Entry

Ron explained that they were looking for an integrated solution. He approached Lone Wolf Real Estate Technologies at one point, because he was using their accounting system, and was surprised and happy to see that they had expanded their service offerings to other products including front office and web services. They made the move to the Lone Wolf suite of products and Ron says they now have a solution that actually shares information and provides integration across their product suite.

In describing how Wolf Connect™ has impacted his office Ron started by explaining how the system talks directly to the Board MLS system allowing listings to come in automatically to the front desk. This allows agents to set up showings and share information on listings with customers that call in. That listing information also gets shared with the Realogy “CREST” system, so they don’t have to enter that information manually anymore.

Ron says that Wolf Connect™ has allowed him to get back in front of his agents, providing 24/7 access to documents, office news, accounting information, events, bulletin boards and other components that he used to only be able to provide if they walked into his office physically.

Ron is also in the process of adding a new company website through Lone Wolf’s Global Wolf division along with agent websites through Lone Wolf. All listing information is shared automatically at this level as well and can include IDX searches wherever they want.

Back Office Improvements

At the other end of Ron’s business, the MLS listing information is shared with the Lone Wolf back office/accounting system and is used as the basis for creating management reports and their trade record sheets. Information from these reports flows through their company Intranet and is used to provide agents their sales and commission reports among other things.

In terms of agent information, Ron says they only add it once now, in the accounting system and from there it flows throughout their various systems including Realogy’s CREST system.

Not everything is perfect yet, though. Ron mentioned an area that he would like to see improvements on would include a separate recruiting module that would allow him to track this part of his business easier as well as some more beefed up statistical reporting for their front desk product. But, he added, what they have today is light years ahead of where they were previously.

One final note Ron made is the advantage of having a consistent interface throughout his products. He feels this really makes adoption easier with his agents though he cautions you have to be realistic and introduce each new feature slowly to allow agents to absorb them. Even with a common interface if you do too much too fast it can be overwhelming for some of the agents.

Technology Companies Move to Integration

Companies like Lone Wolf, WolfNet and NetAspects are just three examples of Broker product sets that have expanded from their early offering to cover more and more of the real estate

brokerage business. Lone Wolf started on the accounting and back office management side and, as Ron Hunter shared, they have created an integrated Broker/Agent product set that now includes productivity tools, lead generation and even broker/agent websites. WolfNet and NetAspects began on the website side of the business but have since expanded their tool sets to include business tools to go beyond just simple websites to broader customer and data management systems, lead generation and CRM. LPS is a good example of a data source that not only handles MLS aggregation but can also supply expanded data sets like neighborhood information and demographics. Each in its own way is a good example of where products need to go in the future to create more integration, broader reach and expanded Broker/agent benefits.

What should the solution look like?

If you take a look at the following chart showing a sample of real estate company products you realize that in every case there is information that could and should flow between these different products. The ideal system would allow for data to flow throughout the organization.



From accounting to lead generation, things should be connected! At the very least, there should never be information that is entered in one module that has to then be entered into multiple other modules. Take that a step further and you see opportunities for expense and financial data to be shared and analyzed that will help a broker understand what is working and what isn't.

Are your products industry specific or have they been “adapted” for use in real estate? What trade offs were made in the process? How well does your technology provide you the vision and clarity you need to run your business and make informed decision? With your existing technology infrastructure can you answer these questions?

Do you know?

Answer

What is the real cost of our lead generation processes?

Where are my leads really coming from?

What are my costs per lead from each source?

What are my costs for converted leads from each source?

What are my costs for closed lead from each source?

What social medial systems actually produce results?

What agents have the best lead conversion rate?

How effective are my marketing programs?

What impact does my web advertising have on our bottom line?

Do Open Houses really reduce selling time?

What is the real cost of our lead generation processes?

These are just a few questions that could be answered more easily if easy integration existed between Accounting and Back Office systems and other office productivity and management tools. Can you answer these questions with your current tools easily? If not, it might be time to build a new technology strategy to make this happen!

How Do You Solve the Problem?

What to look for when you upgrade your Broker systems!

This paper is not designed to promote a specific vendor or set of products but rather to point out the importance of creating a clear view into a broker’s business and to create a new sense of community for the modern agent. The key to do this is to choose a vendor that offers the broadest set of real estate management products that allow for true integration of data between the products and also provide valuable “virtual” services to agents that strengthen the broker/agent relationship. The days of Brick and Mortar might not be gone, but they have changed. Brokers that will succeed in the coming years will move with technology and find ways to leverage data throughout their organization. They will also find ways to become more valuable to their agents through the creation of “virtual communities” that help agents be more successful.

Here are some keys to consider when you look at upgrading your broker management services:

1. At the foundation of any real estate business is the accounting and back office system. All of the data you will want to track and analyze should ultimately lead back to your accounting and back office system. As a result, questions to ask as you look at potential solutions should include:
 - a. Does the vendor offer a full accounting system?
 - b. Does the vendor offer a full back office management system?
 - c. Are these products industry specific?
 - d. How long has the system been operational?
 - e. How many customers currently use the system?
 - f. Is the interface easy to navigate?
 - g. What level of support/training is provided
 - h. If the vendor doesn't offer an accounting package does it integrate with accounting and back office systems? To what degree?
2. What other broker/agent products does the vendor offer? Look at the services you currently offer and also at the services you have wanted to add to your business. Make a checklist and as you look at each vendor get a clear picture of their whole product and feature inventory.
 - a. Products to consider
 - i. CRM tools/contact management
 - ii. Lead generation tools
 - iii. Lead tracking/management tools
 - iv. Agent/Broker IDX website tools
 - v. Agent/Broker VOW website tools
 - vi. Company Intranet/office communication tools
 - vii. Document management tools
 - viii. Mobile tools – agents/consumers
 - ix. Blogging tools
 - x. Drip marketing tools
 - xi. Agent communication/messaging tools
 - xii. Client messaging tools
3. Can products be introduced on a modular basis?
4. What level of integration exists between the vendor's products? Can data be shared? How much and how difficult is it to share data between modules?
5. Do the products eliminate redundant data entry across all modules?
6. Does the vendor offer products that support agents in a "virtual community" with services that they will use including:
 - a. Event management
 - b. Showing scheduling
 - c. Office calendar
 - d. Training materials
 - e. Office message board
 - f. In/out board – virtual

- g. Drip marketing campaigns
 - h. Lead generation/tracking
 - i. Document management
 - j. Office communication system/questions/support
 - k. Internal social network
7. What level of support is offered? Are their options or a one size fits all approach?
8. What do their customers say?

We hope this paper has provide you some food for thought and perhaps gives you some keys to think of before you make your next company software upgrade. Real estate technology is critical to your company success and should be part of an overall technology strategy. If you do not have a company technology assessment and strategy we suggest this should be your first step addressing your technology needs!

About WAV Group

WAV Group is a leader in providing consulting services to the real estate industry and is comprised of corporate executives with a depth of expertise in both the real estate industry as well as the consumer market.

The company has conducted studies for some of the largest organizations in the industry including the National Association of REALTORS®, California Association of REALTORS® and others. It has also authored several of its own studies including the MLS Consumer Website Effectiveness Study, Broker Website Effectiveness Study, Edutizing and its most recent release The Property Search Delta and many others. For more information or to register to receive report releases and newsletters please contact Mike Audet at info@wavgroup.com.

WAV Group works with Multiple Listing Services, Associations, real estate firms, franchise organizations and technology vendors in the US, Canada and Europe. WAV Group has expertise in the areas of technology evaluation, product development, market research, strategic planning, sales & marketing, technology selection and implementation. The company also offers its proprietary WIN (Website Intelligence Network) report featuring Hitwise Data to help MLSs and real estate companies track, evaluate and improve their Internet presence.

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