

"People, Technology, Service"

The key ingredients for any service business in 2008

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We would all assume that in a good market, technology is key but I am of the opinion that in a difficult market it is even more important. We are currently in a particularly difficult market and I believe that while this is presenting real challenges it also forces agents to review costs and processes. Such a review will have the benefit of forcing agents into more efficient practices, including a review of the use of technology. The property sector lends itself to technology because of the visual nature of marketing etc and, while we have met this challenge in some respects, much more needs to be addressed.

The IT issues for agents might be summarised under the following headings:

- Web marketing at local and national level
- Basic data management including e-mails, brochures, letters, accounting etc
- Optimum uses of various technologies such as desktop, mobile and web-enabled systems
- Management of new regulatory requirements.
- CRM and Cross Selling



The Web Medium

Going forward, the use of the web in the real estate business will expand in terms of use and importance to levels we cannot imagine even though we already have 10 years experience of the web.

To a very large degree we have handed the web aspect of the property business to third parties and I believe this is not in our best interests. Web marketing going forward will be the cornerstone of our sales efforts. The national sites are viable and valuable because they have access to the properties managed by agents throughout Ireland. It costs agents substantially to bring these properties to the market (I estimate €650 per property). We have handed over access to these properties without any apooled service agreement, which protects our interests. In the writer's opinion, a service level agreement should be a minimum requirement.

Already enquiries are being used to monitor and report on the market, not always accurately and not always in line with agents' objectives. The representative bodies should be the credible source reporting on the market. Enquiries are also being used to generate mortgage related revenues without any benefit to agents.

Some sites are encouraging sellers to advertise directly thus using agents' "pulling power" to facilitate competition against them.

A further example of the "tail wagging the dog" is the refusal of one national portal site to accommodate technologies that allow multiple exports of new properties to various websites simultaneously.

In my opinion agents need to take back control of the web medium and develop this critical tool of our business at a local and national level in a way that makes it viable **for** agents and their clients. In doing so, there are other opportunities such as developing back-end systems to accommodate sharing of properties and fees with client approval.

Web Marketing

Search engines, particularly Google, are a vital ingredient in our marketing mix. The vast majority of enquiries are now originated on web sites and, of those, 80% use search engines. Search Engine Marketing (SEM) has therefore become an important discipline in the marketing mix. The Google infrastructure is a highly intelligent sourcing engine, which recognises the visibility, content and reputation of hosted sites. For example, the web developer needs to create words in a web site that match search words used by ordinary customers on Google. A web site should have good prose, good content and use appropriate search words. Google can measure these aspects and the success of a site will depend on the results. This is not rocket science but requires some thought and is easily achieved by small businesses.

Office IT Systems

The following are basic to modern office requirements:

- Modern Networked IT Platform running Microsoft office or similar featuring, E-Mail, Diary, Tasks (Outlook) Word, Excel and Web browser (or similar hosted facility).
- Broadband connection.
- External access; i.e. capacity to access system over VPN from offsite locations. Use of mobile e-mail is growing strongly with distinct advantages to users.
- CRM or similar system to manage the business.

The many agents who do not use basic IT will have to change how they do business. Some colleagues still proudly explain that they "do not do" e-mail and never will. They typically state that their secretary prints them for reading. The costs associated with not personally using these technologies are very substantial. Increasingly key information from colleagues and the industry is distributed only via e-mail.

Apart from the costs, the benefits are substantial. Clients' expectations are growing by the day and we have now arrived at a situation where clients are using e-mail for the most basic queries and expect an instant personal e-mail response.

I believe that this is mainly a training issue. A basic IT course, 7 nights, 3 hours each night, would provide all the training necessary.

Mind you, John McCain may be US President shortly and he has never used e-mail!

New Regulation

The new regulatory environment presents a challenge to agents, which will probably be best managed in an IT Client Relationship Management (CRM) environment.

As regulation in the property industry develops, I expect the requirements will follow a similar pattern to that experienced in the financial services industry.

The key is defined procedures and processes. This will require each office to have available to staff a set of procedures relating to all the different transactions performed on behalf of clients. Not alone must these be implemented but they must be seen to have been implemented. For example, more than fifteen fields of information will require to be recorded to complete each receipt for monies received. The progress of every case will require to be carefully recorded and be visible. Every conversation will be required to be logged, tasked and actioned. We will be required to provide historic visibility of these activities.

In time, office procedures and processes will be open to regulatory inspections. Additionally, where complaints arise, the case management history in complaint cases may be the subject of external examination and audit.

It would be difficult to imagine how the regulatory requirements can be managed without a strong office IT system. The first challenge for offices is to define the processes required for compliance and thereafter their implementation will require robust technologies.

CRM and Cross Selling

The case for CRM is well made in other articles and I do not propose to dwell on it here, other than to say it is even more appropriate in hard times and in a compliance-led environment.

Every property enquiry to an estate agent is a mortgage enquiry somewhere. However, there are very strict rules governing how the management of such leads is handled. Essentially the mortgage lead requires clear consent to act in relation to it and to the management of the lead. Additionally one related transaction must not be made dependent on the other.

We risk our industry reputation if we do not manage such transactions compliantly. Having managed such leads compliantly we can generate badly needed income in our sector. To become involved in multiple transactions with clients is what banks and all other associated industries in our sector strive to achieve. This can be achieved within our industry but only, in my opinion, through the informed use of technology.

I firmly believe that technology is the key to our industry's future. ■

