

Agility

by Donald Teel



Agility is the measure of your company’s willingness and ability to make any required operational and cultural adjustments quickly, smoothly and affordably while at the same time maintaining course heading toward acceptable profitability, asset development and owner ROI. We might call it your organization’s ability to “turn-on-a-dime.”

Disruption is a key word in the *New Real Estate Economy*¹. Can your real estate company be disrupted and remain stable? Disruption is not the same as eruption! Eruption occurs when agility has not been properly inculcated into the climate and culture of your company.

Have you ever asked yourself the following question?

“How can I cut 30% of my overhead without impacting culture or profit?”

Or, perhaps we as owners should reverse our thinking by double-questioning our predicament with the following penetrating and truly gripping question:

“How can I cut 30% of my overhead and increase my net cash flow by 30%?”

As an owner, the second question really gets my attention because it strikes at the heart of what I believe it will take for companies to remain competitive in the *New Real Estate Economy*. This is nothing more than interesting chatter if I am not building a company whose personality (yes, all companies have one!) is one of constant disruptive innovation.

Agile organizations are not born, they are created; agility being a deliberately created product of culture. In many respects, real estate agents are much more agile than the cultures in which they wield their craft. The problem with agile-creation lies with owners who have tried to create consistent cultural habitats (a.k.a. “offices”) that project the illusion of stability in a caldron of chaos.

Still some owners believe that constants can be created, bought and paid for in an industry that is pounded by a sea of disruption and change that requires agility, not predictability. Are these owners throwing good money after bad? I think so.

Unfortunately, our nation got a dose of the negative power of agility when eleven terrorists took down the World Trade Center buildings on the morning of September 11, 2001. To be sure, these nut cases had several things going for them but chief among them was their agility. On a Tuesday morning, agile militia, armed with box-cutters, and years of stealth-like planning were able to circumvent the world’s greatest super-power and literally rock our world. When the terrorists arrived, they carried no military back-packs, were not preceded by tanks and air power and did not engage in a full-on invasion assault. They were emboldened by ideas, causes and purposes and these formed the demand for agility.

A great lumbering super-power was largely asleep on Tuesday, September 11, 2001, content with a false sense of security that finds its derivation from the creation of complex and bulky

¹ The Founder of e-Partner®, Donald Teel, first coined the phrase “New Real Estate Economy” in 1996 and coupled it with what is now referred to as “The Third Economic Wave” of the real estate industry which began in 1994 and continues to the present. This is the “Consumer-Centric Era.”

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operating strategies. On that day, we seemingly lacked the type of agility necessary to wage war against this new, light-weight competitor that didn't represent a nation (a brand) but simply a purpose.

Nearly six years hence 9/11, we continue to pound away at an agile enemy, throwing more and more resources at what increasingly seems to be akin to nailing jello to a tree! This begs the question, can large organizations, laden with layers of overhead, bureaucracy and complex decision-making requirements compete in a post 9/11 world? As a patriot, I hope we can. Winning this war, most agree, will be the result of re-tooling our long-held assumptions about what it takes to be competitive and decentralizing ourselves into small agile components. We need to learn how to *Get Big by being Small all Over*²!

If 9/11 is a negative example of agility, and it truly is, what lessons can we learn about how the agility can have a positive impact on our real estate organizations and what principals can help us devolve into leaner organizations? Here are but a few:

1. Have you succumbed to allowing your market to be predefined by archaic geographic notions that limit horizontal development? If so, ROI will then be controlled by market forces alone and agility will have little or no impact on your company.
2. Is your revenue model broken down into its smallest market components and are these components serviced by a to-to-bottom SWAT-team mentality? If so, you will be more adaptive and will realize the ability to weather market changes with flexible models.
3. Have you adopted, implemented and incorporated light weight operational strategies into the fabric of your company such as, paperless transactions that will empower you to create multi-market penetration models, efficiency and profit while requiring less space, personnel and overhead demands? If you are doing so, you are creating an adaptive, agile organization.
4. Do you possess a true Internet marketing business model and strategy that takes you beyond your vertical market (a city, zip code, single market) into the open freedom market where the consumer lives and breathes or, is your Internet strategy just a reflection of a bricks-and-mortar operation operating in a static market? If so, you have a platform for market penetration, capital extraction, business development and asset creation.

As I have conveyed, agile real estate companies are created, not born. We are in an era where the internal and external competitive forces are converging upon us in tidal wave proportions. Managing the change, the pace and the rhythm of this era will demand maximum agility.

² This is one of the original Ten Commandments of the New Real Estate Economy, authored by Donald Teel and is addressed in separate writings by him. Essentially, it is the principal of agility applied to organizations where all operations are broken down into small economic components each with corresponding business adaptations that produce profitability.