

Manage

by Donald Teel



What is it that owners ought to be managing? In the document entitled “*Asset*” I ask and answer the questions related to our true asset and conclude that it is indeed the markets. Therefore, we ought to be focusing our attention and resources on the fundamental practice of managing multiple markets. The markets are the new real estate ownership battlefield. Whoever controls the frontline in that war will be the ultimate winner in the *New Real Estate Economy*¹.

Traditional brokerage firms have spent decades attempting to manage real estate practitioners in ways as bazaar as the industry itself. At times owners have managed independent contractors within their firms by viewing them as assets. In the new real estate economy, independent contractors are not assets. Now we discover the practitioner is simply a means to the true asset waiting to be managed, the markets.

The pole that will vault us into multiple-markets is a new set of tools that, when applied, redefine the playing field that is being created right before our eyes. When I created my own company in Northern Arizona in 1996, I viewed the playing field as all of the places where real estate transactions might possibly occur. My only void at the time was a cost effective vehicle to get me into those markets affordably. Small issue, eh? Other than a few strategic markets, I wasn't willing to make the mistake of buying my way into the markets.

In order to manage multiple markets I needed a tool recognized and endorsed by the consumer (sellers and buyers) and the local real estate agent. This formula would allow me to “jump into the markets” without permission, without buildings and without much of the overhead of traditional operations. It was the markets that needed management, not the agents and this is where I decided to spend my time.

The formula for getting into the markets had to include the capacity to be everywhere at one time. In effect, I wanted engage in a new business model where I could *Get Big by Being Small all Over*². I had been reared in the school of thinking that said, “Get big by being the biggest all over” and that was a game I was not willing to play because of the personal commitments required and the low ROI. Besides, managing markets just seemed like, and later proved to be, so much more fun! Erecting cash-sucking buildings in multiple markets, I soon discovered, was not only foolish, it wasn't necessary.

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.”

² This is the second of the original *Ten Commandments of the New Real Estate Economy*, written by Donald Teel, and highlights the need for real estate companies to redefine success as a mixture of multiple market penetration and presence, coupled with streamlined high-tech operations that yield higher profits with less overhead and a lower agent count.

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How does one “manage markets,” anyway? There are several components necessary for true market management. These are:

1. An understanding and dedication to providing what the consumer wants;
2. An knowledge of the primary components of the real estate transaction;
3. A platform for market presence that is just as real as having a building.

What the Consumer Wants. Few real estate practitioners would argue that the real estate transaction is an effective, smooth and joyful experience for the consumer or, anyone else for that matter. From the old days of MLS dominated information systems, the consumer has been telling us, “I don’t like this experience and therefore, I don’t like you or your industry.”

Consumers want unfettered access to community and property information so they can investigate and explore their options independent of any contact with a real estate professional. At the right time and under the right circumstances, it is the consumer who elects to initiate a relationship in the markets with an agent. Therefore, it is the market that must be managed in terms of maximum presence to insure that your company is present when the consumer is predisposed to act. This is one of the components of market management. Manage the consumer.

Components of the Transaction. There’s nothing tricky here. The transactional components are a market, an agent, a buyer, a seller, a property, money and a successful closing sequence. We have understood this in our office-based uni-market models but have not applied new technologies that enable us to consolidate and manage all of these components in multiple markets simultaneously. Through web-based paperless transactions and streamlined closing processes we can now manage the markets without the risk of capital traditionally associated with growth.

Platform for Total Market Presence. In the past, we have viewed our primary market expression as the building(s). We must stop doing this and instead understand that we are now engaged in a new contest for cyber-market presence. Owners can expand their companies by utilizing community-based Internet marketing such as that created and implemented by the e-Partner® National Relocation and Brokerage Services Network. Broker/Owners can penetrate multiple markets by attracting cyber agents who meet the consumer in web portals (conference rooms) that are just as real to the consumer as walking into an office. It is here, in the markets that the consumer is brought together with the remaining components of the transaction. Does your company have a platform for total market presence?

By understanding what the consumer wants, developing streamlined transaction components and having a total market presence we can finally engage in managing our greatest asset, the markets all around us.