

# Permission

by Donald Teel



The trend is clear in nearly every major metro real estate market...there is a new kid in town and he is not one of us. These are what I have referred to as the *Non-Brokers*<sup>1</sup> or, those who seek to provide online consumer targeted services in order to capture loyalty and yes, economic gain. These *Non-Brokers* are present in virtually every major real estate market in the United States and they seek to do business with the consumer on the one hand while utilizing traditional brokers who play on the inside.

My phrase, *Non-Brokers*, should be differentiated from its counterpart, *Neo-Brokers*<sup>2</sup>, the later being true industry insiders and the former being non-industry players. The *Neo-Broker* is that broker/owner/company that truly understands we are in a bare knuckle first fight for the rights to stand at the centre of the ring and brawl for the right to continue to represent the industry as the primary consumer advocate. The *Neo-Broker* understands the need for industry transformation. While being trapped by the industry culture and rules, the *Neo-Broker* wants to play and is truly in the fight attempting to bloody some noses.

The distinction between a *Non-Broker* and the *Neo-Broker* could not be more profound because between them the lines of warfare have been clearly drawn. The *Non-Broker* can introduce new service models into the market quickly, cost-effectively and without permission, whereas the *Neo-Broker* must work within the cumbersome, time consuming, political and expensive traditional structure that is common within the real estate industry.

There are now three clear personalities in the fight; traditional brokers (they either don't get it, don't want to get it or, can't compete), *Non-Brokers* (they get and are willing to play) and the *Neo-Brokers* (the new-age leaders who are emerging within the industry). From these three will emerge a new breed of broker who eventually steps out of the ring, nose bloodied but victorious.

The operating mantra among the high-tech *Non-Broker* and the *Neo-Broker* is becoming crystal clear to me; the winners will be the ones that can effectively execute their models without permission, while all others seemingly sleep. Whereas the *Non-Broker* is akin to the agile terrorist, the *Neo-Broker* is akin to the new agile military spending a lot of money trying to catch up.

Fundamental to the mindset of the *Non-Broker* is that they stand over the terra maps in the real estate business development war room preparing to engage the markets using a simple military strategy...surprise attack. The *Non-Broker* needs no one's permission! There is no central command and control to which the *Non-Brokers*, must

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<sup>1</sup> A "Non-Broker" is a person or legal entity that provides real estate related information services to consumers without being a part of the industry. The non-brokers seek to generate consumer loyalty and to then transform this relationship into a revenue model at the expense of traditional brokerage firms. Some, perhaps most, of the "non-brokers" loathe the industry and its practitioners calling them of late a "cartel."

<sup>2</sup> "Neo-Brokers" are the new emerging agile brokerage firms who are the first generation to actually operate their companies without the baggage of the old-line culture stemming largely from the Multiple Listing Service rules.

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answer to...they are on their own! Their war cry is, “hit the markets hard, hit the markets fast and hit them at night while the industry is slumbering!”

As owners, we are one of three combatants. We are a traditionalist, a *Non-Broker* or a *Neo-Broker*. Which one are you? Why are you what you are? What does your market strategy look like? Are your tactics agile, stealth and able to be implemented at a moments notice? Can you truly compete with those who have no traditional backpacks to carry into battle? Is your company an old line industrial military machine or a quick, sleek and lightweight contender?

In all of the current market posturing I have learned something from the *Non-Brokers* that is truly revelatory with respect to the industry...far too many old line companies cannot execute unless they first seek and secure someone’s permission. The *Non-Brokers* can! We must, however painful it may be, learn to execute without permission in order to gain the upper hand in the new information and Internet marketing war game.

In late 1995, I was in the early stages of developing a business plan for a regional real estate company in Northern Arizona. My vision was the creation of multi-office firm with market presence in each major community in Northern Arizona. To accomplish this, my partner and I merged two franchised real estate offices located in Flagstaff, Arizona and Prescott, Arizona. The question before us was, do we seek permission from the franchisor or do we execute the plan without permission. We opted for the later and following consummation of the deal we announced it to the franchisor. No, they were not happy! We had, to quote them exactly, engaged in “Jumping over markets” something that the franchisor frown upon. We asked for forgiveness and the deal was approved in 1996.

Our merger of Northern Arizona real estate companies in 1995 was not only new to Arizona marketplace but the beginning of our discovery of the principal of execution without permission in order to gain the upper hand. That’s precisely what it means to initiate. That was 1995, this is now.

Since 1996, how much more complex has the real estate company ownership game become? Since 1996, how many transforming technologies have been introduced to us that can revolutionize our ability to not only engage in “jumping over markets” but “jumping into markets?”

One of the *Ten Commandments of the New Real Estate Economy*<sup>3</sup> is simply “Thou shalt execute without permission.” Within reason, owners must now adopt this commandment as part of the weapons of warfare in order to compete effectively against the *Non-Brokers*.

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<sup>3</sup> You can receive a free summary copy of *Ten Commandments of the New Real Estate Economy* by contacting its author, Donald Teel at ePartner USA, Inc., toll free at 1-877-380-1000.