



It's time to get serious about re-engineering your company

The old days are over...it's time to get ready for a new type of industry

2006	"Bubble, what bubble??"
2007	"It can't get much worse... can it?"
2008	"How much more can we possibly cut?"
2009	???

Sound familiar? Has that been the voice in your head the past three years? My guess, judging by my travels and conversations with brokers, large and small, all over the country, is that this is an industry in denial... denial that they have to do more, much more, than just cut expenses until things get "better".

Are your agents getting any younger?

Do you really need that 12,000 square foot "palace" that is empty most of the time?

Have you figured out how to get more than half your agents to promptly respond to online inquiries?

Do you really have an integrated technology strategy that touches every aspect of how you communicate with the younger, more educated consumer who will soon dominate this business and knows more about Facebook and Twitter than your company?

Those are just a few of the questions you should be asking yourself.

Bob Parks, founder and President of Bob Parks Realty in Murfreesboro, TN is making all his managers and corporate employees read a book called "FLIP – How to turn everything you know on its head and succeed beyond your wildest imaginings" by Peter Sheahan. "We know we can't thrive, as we did in the past, without making some dramatic changes to how we operate our business. There have been, and will continue to be, fundamental changes occurring in this industry and those of us who are willing to turn our companies upside down to deal with these new realities will be there to enjoy the returns in 3-5 years... there is no short term fix."

As someone who makes a living helping real estate companies grow, it has been interesting to watch brokers cut expenses but not truly address the fact that this is already a different industry than it was even two years ago and it will be even more different two years from now.

Brad Halter is President of Coldwell Banker Caine Real Estate in Greenville, SC, a third generation brokerage that has been in business 75 years. "My uncle has a new saying that goes like this, 'Thank heaven for 2011!' What he means is that it's going to take that long before we see any semblance of normalcy and even then, things will be different so we better start getting ready for that today!"

The companies that are facing the music know they truly need to analyze how they do business and, more importantly, must be willing to make dramatic, potentially scary changes, to their businesses. For those who think all they have to do is cut expenses and "hunker down", the best case scenario is being less profitable in the foreseeable future.

The worst case scenario... I don't think we need to go there so let's get going and face this thing head on!

About the author

Jose Perez is the President of PCMS Consulting, a full service consulting, sales and management organization which specializes in real estate industry issues. The company's vision is to become the "one-stop shop" for consulting services in both the real estate and franchising industries. For more information, please visit www.pcmsconsulting.com or e-mail jperez@pcmsconsulting.com.