Niche players: Competing With the Big Guys

Consistency is the key to standing your ground against bigger competition.

JULY 2008 | BY ROBERT FREEDMAN

It's hard for soapbox derby fans not to know about the annual Northern Maine Soapbox Derby.

Held in the tiny hamlet of Houlton, Maine, the race's notoriety has grown because of the ubiquity of its videos on YouTube, videos that get thousands of viewings thanks to the handiwork of real estate pro Andrew Mooers.

He's a real estate broker who has kept his two-person operation competitive with larger rivals by mastering Internet marketing to consistently showcase his name in cyberspace.

Creating the soapbox videos puts his brokerage in front of a demographic that he thinks is a prime candidate for relocation to his state: child-oriented families. Mooers also has managed to get his Web site top positioning on major search engines in searches for Northern Maine real estate.

"I'm fascinated by search engine optimization," says Mooers, a 30-year industry veteran whose brokerage handles about 100 transactions a year.

Other brokers of small operations have their own secrets for staying competitive against larger rivals, but they all share a steadiness in their approach, persistence, and an attention to detail that translate into a consistent, and satisfying, experience for their clients.

It's imperative that you leverage consistency as a major tool to build your core identity, advises real estate management consultant Bob Corcoran in Swansea, Ill.

"Whatever you're doing right, do more of it than your competitor," he says.

Guaranteed, Every Time

Scott and Lora Nordby have grown Innovative Real Estate Group in Denver to almost 40 sales associates since 2003 by rolling out highly structured client services, such as a guaranteed marketing program, and by making sure their associates offer it every time they work with a client.

"Everything we do, we do consistently," says Scott Nordby, GRI. "We are very big on systems."

One of the popular features of Innovative Real Estate's guaranteed marketing plan is mandatory home staging by one of four interior decorators Nordby's Denver company has on retainer.

"We don't put a house on the market until it's staged," says Scott, who manages the company with wife Lora.

Consistency is the watchword for the company, because it’s one of the values that Nordby believes sets their brokerage apart from others.

Every sales associate he brings on board must come with a list of 50 contacts, and every associate new to the business must partner with a mentor to complete a 90-day training period. “The mentors aren’t there just to answer questions,” says Scott. “They go with trainees on listing appointments, help set up inspections, participate in closings, help fill out paperwork, and guide the new associates through their first CMAs.”

The result is that most of his new sales pros are able to get at least three completed transactions under their belt in the first 90 days, which he says is crucial if they’re to avoid leaving the field before they have a chance to build their business.

For the Nordbys, the company’s consistency has meant continued growth despite the downturn. Scott says Innovative Real Estate Group is on track to close $90 million in sales this year, up from about $70 million in each of the last two years.

“When consumers work with our associates, they know they’ll get certain things every time—an interior decorator, color fliers, ads in the home magazine, postcards to surrounding neighborhoods, a home highlights card,” says Scott.

Similarly, the Nordbys’ sales associates know there will be business planning every year, accountability meetings every quarter, and two sales meetings a month, among other support activities. “You have to be systematic to succeed,” he says.

Unchanging Colors

Anyone who shops for a home in downtown Little Rock, Ark., or just west of the city center knows what many of the For Sale signs look like; they’re blue with a brightly colored rainbow.

That’s because Janet Jones Real Estate has been specializing in the same market areas, working from the same office, and using the same blue logo with the colorful rainbow since the company launched in 1980.

Janet Jones’ familiar locale and strong branding have helped the brokerage weather the arrival of several larger rivals, including national franchisor Keller Williams and regional giant Crye-Leike, says company sales manager Brock Whisenhunt, CRB, CRS®.

“If you come into town, you see our yard signs everywhere,” he says. “It becomes clear we’re the company to do business with.”

Whisenhunt says it never crossed the company’s mind to start offering mortgage finance, title, insurance, and other services when Memphis-based Crye-Leike entered Little Rock about three years ago, bringing that kind of one-stop shopping with it.

“We have a very competitive mortgage finance and title business in the city, so there’s no gap that a smaller brokerage has to fill,” says Whisenhunt.

What the company offers instead is what Whisenhunt calls an intense focus on the sales associate. It offers professional training every year, requires all its associates to work at the office rather than from home, and creates a can-do mindset about getting every deal to the closing table, no matter the roadblocks.

“It’s our culture to work through deals harder than the typical company,” says Whisenhunt, “whether that’s working through repairs or finding the financing. It’s not our way to allow a deal to fall apart.”

One result of its associate policies is long tenures among its sales force. Many of its real estate pros have been with the company 25 years or more. Whisenhunt can’t recall more than one or two instances when an associate left to join another brokerage. “Our associates can’t wait to come to the office,” he says.

The brokerage benefits from the strong tenure. More than a third of its 35 associates close $6 million to $8 million a year, and the rest close about $4 million annually. One associate closes about $30 million a year and just brought on an assistant.

Whisenhunt says his company’s 35 associates last year captured about a third of the city’s luxury market (defined in the market as $1 million and above) and a fifth of the $200,000 to $500,000 market.

Staying the Course

Henry Bland takes an unconventional approach to his brokerage: Most of his 16 sales associates are part-timers. That’s how it’s been since his father launched H.C. Bland Realty Co. in Columbus, Ohio, in the mid-1980s. And that’s how it is now — a fact that’s proving to be a boon in today’s slow times.

“The fact that my associates have always had other sources of income has probably helped us survive the downturn as well as we have,” says Bland.

Brokers tend to split on whether part-timers are a plus or a minus for the industry. Because part-timers have been a part of his business for so long, Bland has been able to groom his associates into a highly professional sales force. “For some of our clients, our associates are the only agents their families have ever known,” he says.

One part-timer who works mainly with investors has consistently closed some 20 deals a year, although last year her volume fell as many of her non-owner-occupant buyers left the market.

When they’re not selling real estate, his part-timers are out and about in the community, as teachers, church officers, and community volunteers, keeping the company’s name visible, especially on the east side of the city where most of them live.

The result: His company has been closing 70 transactions a year steadily, even in the two years since the market cooled.

Urgent, Every Time

Management consultant Corcoran says brokerages too often fall down on consistency — and by that he means they let their associates fall down on consistency.

In mid-March, for example, he made 11 sign calls on a Saturday to sales associates with listings in the $700,000 range in his market; not a single associate called him back during the weekend. “It’s pathetic, because whoever calls back first in real estate wins,” he says.

By not acting with a sense of urgency when they have a potential buyer calling, associates are handing business to their competitors. Ultimately, the fault lies with the broker.

It’s the broker who sets the culture and must put in place systems that make it a matter of course that associates consistently call back within 15 minutes, says Corcoran.

Once you have systems in place, it’s your responsibility to communicate your expectations to associates. And it’s your responsibility to hold them accountable.

Consistency, persistence, and attention to detail: Brokerages that compete year after year against their larger rivals are the ones that build those traits into their culture.

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