

TRENDS

Accountability, real estate's scarlet letter

By Larry D. Romito

What happens between an agent and the client relative to the promise of service and the delivery on that promise remains a private, somewhat secretive and certainly invisible set of events from the broker/business owner's point of view.

While it is common for real estate brokerage companies to have standards for production and sales, systems for tracking progress, awards and recognition for sales achievement and some measure of production accountability, when it comes to the service side of business...well that's another matter. That's up to the individual real estate professional.

Service is clearly different from agent to agent and often quite different from client to client served by the same agent. It's no wonder that consumers are confused about what to expect and are increasingly challenging the value of the service. And while there has been some erosion of commissions as a percentage of the sales price of homes, the absolute commission dollars being paid are at an all time high. Most recent consumer surveys indicate that service in general has been getting worse. Real estate brokerage service has not distinguished itself as an exception to this trend. Economists would call deteriorating service quality in the face of rising prices a precarious confluence. History tells us that a combination of consumer dissatisfaction with both pricing and quality has been the catalyst for innovation, change or destruction.

If sales is the promise of service, then service is the delivery on the promise. For today's consumer, the sale is assumed (home purchase or home sale). They want and expect more. Consumers are looking for all the details that surround the sale to be managed – a complete service experience. The expectation is that their service professional will offer reliability, consistency, responsiveness and accountability. That's what highly paid professionals are expected to deliver!

So how can professional accountability, consistency, reliability and responsiveness ever be achieved in an independent contractor environment?

While resurrecting an 18th century concept of forcing those who violate their obligation of professional accountability to wear a scarlet A is not likely to be adopted in the 21st century, there is a modern day principle of behavioral science that has equal potential impact: visibility of consequence.

Visibility of consequence is a very simple principle: bright lights and high visibility tend to bring out the best in people; darkness and lack of visibility tend to take people in another direction. Why do people spend hundreds of dollars for a personal trainer to essentially observe them doing

exercises they already know how to do? The answer of course is accountability, discipline and feedback. These are things people do not feel they could accomplish on their own. So how can one make higher professional accountability a reality?

- ✍ Take a leadership position that nothing is more important than professional accountability and customer service.
- ✍ Define the service outcome from the consumer's perspective.
- ✍ Create standards and metrics to assess service performance.
- ✍ Deliver those written standards up front to every customer, every time.
- ✍ Implement service training, systems and processes.
- ✍ Measure the results in an objective, disciplined and timely manner.
- ✍ Utilize technology for immediate feedback and performance assessment.
- ✍ Develop a quick response mechanism to address customer complaints.
- ✍ Coach the service side of performance.
- ✍ Recognize and award measurably superior service delivery at all levels.

Real estate brokerage and mortgage origination must become service businesses, not just sales organizations. We know this because the consumer tells us so. Delivering greater value and a more satisfying service experience cannot be achieved without greater professional and organization accountability.

It is possible to improve customer service satisfaction by 15-to-45 percent; reduce customer dissatisfaction by 60-to-80 percent; increase repeat customer sales and referral business by 50 percent. It is in fact already being achieved today by a few who are leading the way, but their numbers are growing.

Training, standards, metrics, delivery systems, customer feedback, performance assessment, coaching and reporting technology are the tools...build them or find them, but use them.

Accountability and quality service management...it's time!

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