



ScratchThat Podcast Episode 27: Back to Business, But Not as Usual

Emily: Hey, I'm Emily Chenevert, advocacy nerd, Peloton enthusiast, wife, and mama to two and CEO of the Austin Board of REALTORS®. Every day, real estate is changing. So, we're taking it to the experts to unpack major topics that you need to know about to be successful in this business. Scratch what you think you know about this business, and listen up for a fresh take on an old industry. No stranger to our world as the CEO of the National Association REALTORS® and long-time NAR executive leader, Bob Goldberg, is a natural fit for a conversation this summer after all we've been through. Bob is arguably more visible and accessible than previous scenario leaders and works to put his money where his mouth is when it comes to being responsive and in market. He agrees that's taken on a whole new meaning in the world of all day Zoom land and he's digging it. His takeaway from the new world from an association perspective is member engagement is key and it's at an all-time high. That said, we talked about a lot more than that. It started on a serious note by discussing if NAR is turning words into action by joining the national narrative on racial injustice. I started by asking his take on how organized real estate has responded to the issues of systemic racism.

Bob: I put it this way, the social uprising that we were seeing, which by the way, for me being an old guy is reminiscent when I was a little kid in the sixties. But I think that what makes this one more unique, is that it was on video. The situation with George Floyd captured America's attention and the world's attention to the unjust situation that was occurring. You know, racial inequity is not a new issue in this country. It's been there for years. Uh, it may have taken a bit of a backseat or went underground a while, but it's been there. And so I think that this makes a, the situations that we're dealing with today. I think the industry is poised to deal with it, but I'm really thrilled about it was how NAR our state, our local associations, the brokers in this country, agents in mass have gone forward and said, you know, we've got to make sure that we're doing things differently and better so that everyone is treated equally and fairly when it comes to housing, but even in society as a whole.

Emily: Well, I think about you saying this is not new to us. You said that on the Inman stage too, and I think that's right. I think that's especially true for housing. Housing has been at the center of what many would consider having caused systemic racism for so long. I

mean, I think back to what we know about land use patterns and wealth building, following the red that happens almost everywhere across the country. And I think about what our role ought to be in recovering that. So, NAR is putting action behind their words. You released a five point plan recently aimed at helping to promote home ownership among the black community. And your number one, your number one goal or tactic was to increase housing capacity. But there's a flip side to that. When I think of increasing housing capacity, I think about it as a Gad does: more density, which can lead to gentrification. How do we increase capacity without displacing people that are building community and the folks that we're trying to serve?

Bob: Yeah, I think a lot of it comes into to bear, which is how we, as an industry drive fairness and housing. You know, a couple years ago, we commemorated the 50th anniversary of the fair housing law, an interesting backdrop Emily, and I was involved before I became CEO with our multicultural groups. And I remember I was dealing with, and again, it was very mixed in terms of Asian Americans and Hispanic Americans and Black Americans all in this multicultural group. And I remember we were talking about the 50th anniversary and I said, you know what? NAR is going to promote it really hard. We're going to celebrate it. And I remember one of the leaders of the group that represents, you know, Black Americans looked at me and said, Bob, we're not at a point yet where we can celebrate. We can commemorate, but we can't celebrate. And that just stuck with me because yes, it was an anniversary that was noted two years ago, but it showed that we needed to do a whole lot more as an industry. I think what makes me the most proud is that before the George Floyd situation, before many people know about what happened in long Island, the newspaper catching some bad actors from our industry, we hired a gentleman named Brian Green as our director of fair housing. He came from hut. I actually hired Brian many, many months before any of those other things happened because I felt it was important for us as a national association to double down on putting actions behind our words that you mentioned. You know, we needed to have someone, that could be the leader, carrying the gauntlet that says if NAR, and our industry is serious about fair housing and justice, then we've got to have someone that leads the act. So, to your point, which is it's more than just a slogan, it's gotta be that we're doing actions in the industry to make sure that there's opportunity for black Americans, minority Americans in the housing area. We created a program called the ACT program. A.C.T. in our fair housing area. Stands for Accountability, Culture change in Training. Now all of those were imperative. Uh, training is probably the most important thing we had to do in the short term. So we just released a series. If you go to NAR dot real poor, uh, implicit bias training, about a 50 minute video of getting rave reviews around the country from agents themselves. But we're also putting together other programs where brokers can do testing programs. We're not going to talk a lot about it, but it is happening. And when I say not talking about it, we don't want to sit and say, well, this broker is doing this task. And this broker is doing this. As these brokers are stepping up and doing it randomly to see how their agents in their office are responding in real life situations with testers to say, are they handling this in a fair manner? So, you know, you've got to do a lot of things and we're working with our state and local associations like yourself to bring those programs to life.

Emily: Definitely. As I think about the tools that you've provided for brokers, that is such an important place because they're just not prepared all of them to assess the proper

policies and procedures for managing interactions, not just with clients externally, but in terms of the interactions that happen with their own agents inside their own offices. So I've seen the video, I think it was a really good resource. And I know that there's probably more to come behind that. I want to turn this a little bit now, just to the larger picture of NAR. I want to share with you that ABoR has done some work. So, in Austin, we've had a lot of conversations about the differences between what an association is versus what an MLS is. They are not one in the same is our belief, and I would expect probably yours. Their competencies are very different. What makes an MLS really good is not what makes an association really good most times, but at NAR, those waters are a little muddy still. And so I wonder as I think about the role that the MLS policy committee plays your role in the industry at large and how that parallels with the role of CMLs. I kind of wonder what you think about that. How different are the two entities for you?

Bob: Well, I think they're are similar in one way. We serve the common member. Uh, there are mutual members who are having an expectation of being served, but the services are different. Now in MLS, and by the way, you're talking to an old MLS guy, maybe I shouldn't say I'm old.

Emily: Don't date yourself.

Bob: But I grew up, um, I grew up in this industry being from a major MLS vendor. Uh, the largest in the country at the time, and there's an expectation by the members that MLS is there to be an opportunity for listings to be shared cooperatively. And that it really benefits the consumer by virtue of the fact that a seller's listing is exposed to as many people possible. Your listeners know what MLS is. The association actually has a whole set of different services that range from education and training and benefits and, and advocacy, all of the above of what an association is supposed to do to help their members prosper, gather network, be educated, etc. Where they blend is, and this is something that I worked really hard and tried to explain to people, I think one of the core responsibilities that NAR has is to be the driver of technology and to bring technology as a benefit to our members. You know, a lot of people, Emily, don't realize that NAR has a major play in technology advancement. When I came in as CEO, about three years ago, I created a strategic business innovation technology group. And that group was to be there, to look at all the major technological changes happening in the industry and how do we position NAR in our industry. And when I say NAR, I don't mean just us as an entity. NAR has all the REALTORS® in this industry combined together. It's The National Association of REALTORS®. And how do we bring these technology players to the table so that we're not fearful of them, but we're fearless? We bring them to the table. We say, what can we do to better enhance what REALTORS® do on behalf of consumers? How do we bring technology to help improve the ROI of our members and our brokers and our associations? How do we do all of these things and be the leaders as opposed to the follow-ups? And so we have a program that, uh, that I used to run before I became CEO, post-second century ventures and reach, uh, reaches an accelerator program. I'm guarantee you, the majority of the people listening to this podcast, don't realize that NAR has an equity ownership in over 112 technology companies. I mean, that's right. 112 company is better in the technology business. We have a piece of the action and we didn't get involved from an investment perspective

for the purposes of what's going to be the ROI for us. We've got involved so that we can help influence our industry to be realtor advocates. Is that a realtor adversaries? One of our first investments was in a company called DocuSign. You know.

Emily: Just a little company.

Bob: Yeah little company. Well, we saw eight to ten years ago that electronic signatures need to be a play. Not that it might be, we need to drive it so e-signatures are there. We're now involved, a lot of people don't realize, but the COVID situation. How do we do electronic closings and notaries? Well, NAR many years ago invested in a company called Notarize and Notary Camp. There's two companies. Our point being is we're doing these things so that we can help our members succeed without having someone dictate to us how we're supposed to be successful. And more importantly, making sure that we're not being disintermediated cause we're sitting on our butts doing nothing.

Emily: That makes sense to me, that it's a competency of the association to drive both adoption of technology within the industry to make that adoption fluid, to create technology that doesn't take the agent out of the transaction, but puts them at the center of it in the ways that they are good at what they do and automates the stuff that they're not as good at doing. But I want to talk again about that line between the MLS and the association. When I think about the way that the MLS policy committee works, the value that it holds as it pertains to local MLS is, you know, it's directly associated with our E & O insurance as we're under the same umbrella. Do you consider the business of the MLS to be a competency of the association or is it a parent child relationship? What does that look like for you?

Bob: Well, I think it varies depending on where you are in the country.

Emily: Sure there's lots of models.

Bob: Every area works differently. The models are different. That's why we are a big supporter with CMLs. We've been involved with them for several years. I think years ago, there used to be a perception real or not. I'll leave it at that, that NAR and the MLS were actually just clashing with each other as to who the dominant players should be in this. Um, and I guess maybe myself coming from a background in MLS, I see a clear distinction of what the association should be providing and what MLS has provided. And like I'd mentioned earlier, they are the same mutual customer in most cases, but we have to make sure that the MLSs is, are independent enough so that they can do what's in the best interest of the buyers and the sellers as consumers. They're also independent enough to be able to serve the players in the, in the participants, in the business, without there being over governance, by an association perspective. Now the governance components are important in terms of making sure that there's fairness of cooperation and compensation, um, that there's a right amount of training. Many times associations may be doing that training. How does it involve an interplay with like laugh boxes, et cetera. But I think there's a clear distinction and that's why you typically in a lot of areas have a separate MLS committee and then a separate board of directors of the local MLS. And there are different models. Some are REALTOR® owned associations

with REALTOR® owned MLSs, and then there's some that are independent MLSs that are totally arm's length and have nothing to do specifically with the association.

Emily: I think we've come a long way as an industry, I guess, in terms of managing that tenuous dance, that tension that's been there between MLS and association. And I think, I think it's beneficial, frankly, more so to the association than anything. If we define that separation better, because then we know what we stand for, and we know our value proposition separate and independent, which I think is a place of strength. Whereas I think some do that as a fearful potential.

Bob: And I've said Emily, even when I came in, I knew there was some contention when I came in as CEO between some MLS is when some of the activities in the NAR was doing. And I, I really do feel that MLS has been the glue that holds the business side together, needs to have the autonomy without NAR or a state or a local in the middle of it. And I've said from day one, as long as I'm CEO, NAR will not, will not be playing in the MLS business, because I came from that and I don't know any reason why NAR would ever want to be in that business.

Emily: Yeah. It's not fun some days, but it's great others. It just depends on the, on the hour. Okay. So let's talk, cause we talked a little bit about what you're not, let's talk about what you are. How do you concisely project? What the proposition of NAR is. How would you tell a stranger?

Bob: Well, I would say first of all, the benefits that we provide in the association is unlike anything else that anybody can get now. What does that mean? Well, at the NAR level, the annual dues are \$150 a year. And I would argue that's the best deal in town. That's separate from a \$35 special assessment that pays for the ad campaign. But when you look at the, how we break down that \$150, and again, that's annually. And what we do on Capitol Hill alone, pays for that 10 volt and can talk about it in a few minutes about some of the things with the CARES Act that NAR drove, puts more money in members' pockets based on paying them unemployment insurance. The, the special loan programs for the PPP program. NAR was the driver behind that representing independent contractors. But if you look at just the collective components of it, you know, we have a program called our realtor benefits program where we have 30 plus companies that provide benefits and services based on our size and the opportunity to negotiate and leverage a big audience of people. Uh, we have one of the most successful affinity programs. I mean, look at like our Chrysler program and Jeep program, just to highlight one of them. You know, as your, as a REALTOR®, and we have thousands of realtors that do this program every year, you save \$500 on top of your best deal. I'm going to want you negotiate. And you can say, Oh, by the way, I'm a REALTOR®, you get an additional \$500 and two years of service. Chrysler confirmed, it's actually FCA Fiat Chrysler Corporation that if we were a dealer, we'd be in these top 10 largest dealers in the United States that shows the buying power that we have as an NAR, and it shows the interest that members have taken advantage of it. The FedEx program. The dollars you save on our national FedEx program. If you did 10 packages a year, you paid your national dudes. The point being is associations, and by the way, I'm sure you've got local association benefits. I know the States have the fact that collectively between the local, the state and the national has so many different opportunities for a member because

our members, being independent contractors, have to rely on their association in most cases to be their business negotiators. You look at what we're doing in technology and all the tools that we're bringing as an association with hundreds of companies that can provide these benefits that improve the ROI of every agent in this country. Our education programs, a multitude of certifications and designations to help better each of the members. That's what associations are all about is to be there. And when it becomes most evident, is when you look at a crisis that we're going through right now with a pandemic. There is no greater value than your association and all the tools and services that all three at the local, state, and national level collectively are bringing to service the members.

Emily: Do you think they turn to us though? I could definitely spat off the benefits of ABoR, would love to do that with my members at any given chance, but, but I also know that there are many, many, many of them who have no idea what we do, and they really don't understand the difference between me and the MLS or me and their broker sometimes like you know, boil it down, because I would agree that pandemic has shown a bright, bright light on the value of advocacy work the association, but what else is at the core, that is the nugget that keeps us connected to our members?

Bob: Before the pandemic, we had 800,000 members a year using one or more of our benefits products. I mean, 800,000. So talk about engagement. 70 plus percent of our members are using NAR benefits, products, and services. Now, what's really amazing in that as I wish we had that percentage in our advocacy area and grassroots contributions of how do we influence policy in this country. And we are very powerful in that area, but I'd like to see a 70% engagement as well.

Emily: No doubt. Yeah.

Bob: I think one of the things that, like you said, we all struggle as an association to get our members mind share. You know, right now in this day and age, I'm not talking about the COVID age, the data it's just in general, you know, between social media and news and fake news, and what you read here or what you see there. It's hard to capture the mind, share of any of us as human beings. So you don't have the time to say, how do we get a member to really focus on what Emma you're doing in Austin for them, or what Travis is doing in, in, in, at the Texas level or what NAR is doing. That is the biggest challenge that we've had. And I thought the magic answer, candidly, to be able to boil down what are number one or two core benefit is, was to get involved in social media. But even that is so noisy and crowded. Now the new norm, which I now say is the norm, or doing things like this, uh, I have been engaging with our leadership with more members on a day to day basis than we ever have in the history of NAR. You know, to give you some perspective. Between Vince and myself and our leadership team, we've done hundreds of the zoom meetings in front of hundreds of thousands of members, where we get a chance to not only engage with our members, but more importantly, listen to what our members have to say. And so even today, I've had three meetings with local boards where they never would have heard and seen the CEO before, unless I happen to be at an event or my predecessors were there. So now we can actually talk to our members about what's important for them. So when I sit there and say, well, the number one thing we do is advocacy, or the number two thing we do is technology for a member.

You know, just sitting there, that may not be important at all, they may only care about this designation that they're doing, or they may only care about some other aspect of what an association brings. So instead of trying to tell them a hundred things, let's listen to what they have to say and answer directly the types of benefits and services that will make them happy. And I've had more people sit there and tell me, wow, I had no idea that NAR did this, but here's, I think something that we should point out here. That for the first time, we're being able to show our members, how a state and local and a national work together in the three-way agreement.

Bob: So having you as a local association as a CEO and the NAR CEO together, we can actually engage with members and say, here's what your local is doing for you. Here's what your state's doing. Here's what national is doing. They hear how we're all working together because in the past it was, well, I pay my dues. I know some of it goes to NAR. Some of it goes to the state and that could, and the average member, couldn't tell you five things that any one of them do. And now we're able to engage them in such a way to say what's important to you, and what can we do to help make that better so that it validates the importance of the dues that you're paying.

Emily: I would agree. It was worked a lot on member engagement and it's shifted culturally for us a lot over the last year. And one of my biggest worries going into the shelter in place was that we were going to lose touch with our members after we'd worked so hard to get regain their trust, again, frankly, after several tumultuous years, but it's been surprising and really wonderful to see the amount of engagement that's stemmed from this. I mean, we've absolutely connected with more people. I can put more people on a zoom webinar all day long and not just in Austin, but from all over the place in a program that would have only sat a hundred last year.

Bob: The best case of that is cause I was like, dude, I was wondering, Oh, now we've got staff sitting. You know, we have 350 employees.

Emily: Oh no, I knew they'd be working, but...

Bob: We have two major call centers, by the way four thousand calls a week at our call centers. And they're all at different locations now around the country because they're not in a call center, we're engaged more today than we ever have. And I sit there and say, wow, why weren't we doing this before? I mean, every week, all the meeting with the state association executives, with my senior team, with the leading all 50 plus States, and we talk about issues that are happening in local communities, what's going on at the state level and how national can better support them and vice versa. And I'm looking at it going, why did it take a global pandemic for us to get us to think about it.

Emily: Yeah. Well it's the same way a consumer is wondering why virtual showings weren't an option before, but, you know, because we evolve when we're pushed to our limits to some degree, and you know.

Bob: And this will not be that when this passes that it will go back to what it was. I do not believe for a second.

Emily: I agree.

Bob: Uh, you know, the best example I can give is we had our legislative meetings a month ago and they typically get 8,500, 9,000 in person to go lobby on the Hill for issues. We did our first virtual conference and we had 28,000 people registered, fully engaged in participating in committee meetings and seminars and speakers. And now we've been doing virtual health visits so that the Congress person is actually engaging with more of our members on a zoom conference call than we ever had when they walked up on the Hill. And you look at,

Emily: I just came from one, so I can attest for that. Literally.

Bob: It is amazing what you said, you know, um, you know, I have this debate with my leadership team all the time, and we've been talking about this and, you know, uh, when we do an annual conference and, uh, you usually get 20, 25,000 people on that, what happens if we do an annual conference, that's a hybrid where maybe you only get 10 or 15,000 to show up in person, but you get a hundred thousand people engaged online with zoom videos. Wow. That's the answer to it all. I'd rather exchange in person physically being there for morning engagement with members where they can look in here and see, and comment and have a perspective and get more engaged with their association.

Emily: Yeah. So I totally agree with that. One of the things I've been kind of thinking about as a long-term takeaway is what does it mean when the boundaries of our associations aren't defined by our geography any longer, because everything moves so virtual. So what if the culture of the Austin Board of REALTORS® is what led to people, wanting to be a member here, as opposed to them having to be in my market. And how does that push our current structure, which is generally built on really old geographical boundaries?

Bob: Yeah. I mean, I think that, you know, interestingly what's occurring right now is that any org put together a couple of years ago, a governance pack, a presidential advisory group whose sole job it is, is to look how the association at the national level is governed. How do we make it so it's faster, more efficient, more engaging. Wow, guess what's happening now? We're really looking at what the committee has been working on saying, you know, management can work a lot different and you don't need to be sitting in a room coming up with how do we engage and govern? What you look at now is expediency and how to make things happen faster than ever before, because the customer, NAR customer is our members. Your customers are the members and consumers demand faster answers and not having to wait.

Emily: Yeah, no, I, I can only imagine that the work of the governance package shifted somewhat over the last couple of months and it's big work anyway, it's big and very political work in this business. So, uh, I appreciate that. They're having to kind of retake a look at what they've done. So let's wrap up here. You have, and been, and are a strong leader, and have been in our industry a really long time. You've seen lots of different things, but what, what's your biggest takeaway from the experience that we've just been through and what's the long game at NAR from that takeaway?

Bob: Yeah, I think the, uh, the, the biggest experience I've touched on it is a different way for us to, and listen to our member, and I keep using the word listen for a reason. I get this expression. I said, there's a reason that God has given us two ears and one mouth, and maybe I need to personally practice that better, but when I'm engaging with hundreds of members on a zoom call that have never engaged one-on-one with the CEO or with a NAR leader. You know our leadership team is so involved now. Their roles have changed. So it's not about traveling to a hundred places. So I think what the takeaway is, is that we've had a, we need to leverage and how do we grow this opportunity to be more important for industry and for accessibility? How do we make change happen? Instead of saying, well, we've heard in this area, uh, there was an issue with maybe something in fair housing, you know what? Let's put the key leaders on the screen and let's talk about what works, what doesn't work and what needs to change now, and how do we get the real estate commissions more involved with us and let them sit in front of a meeting. You know, you asked before about how to double down and make real change. You know, you gotta have people like the real estate commissions get involved with us as an industry too. To say, you know, what, if there's an issue we got to double down and do something about it. And so I think that the takeaway is, is leveraging all these opportunities and I'll close with one other item. You know, we launched this program, Right Tools, Right Now, which provides these great benefits to our members. If people want to know is NAR.Realtor/rtrn. But we made available hundreds of products, uh, over 150,000 members in eight and a half weeks, have taken a free or substantially discounted product and saved themselves on the \$16 million. Now that is just unprecedented, how fast that's happened. So what do we learn from that? You know, instead of just marketing stuff or talking about these great benefits, how do we collectively work with our locals or States internationals to put a collective package together and get on a screen and educate a member, do more broker meetings. I've been doing more broker meetings of Brooklyn every Tuesday with their sales meeting. And they've never had leaders from NAR there: Vince Malta, myself, Charlie Oppler, Wesley, who's coming up. All of us are engaged in these kinds of conversations. And so I think that's the takeaway. Is that they get to see who we are as real people. They can see that our motives are all pure, which was we're trying to help the member. And if the member tells us we're not helping them, then damn well, we had to be listening to it and change our direction instantly versus let's go do a survey. I can say, no, I had 500 people on a call or they were looking at me and they told me the following, you know.

Emily: Yeah. That the staff knows the difference when you've gotten off the call and they talked to you directly. We're going to fix that problem.

Bob: That's right it changes that entirely.

Emily: Well, think that's a good place to wrap up. Let me thank you on behalf of at least our market for all that you do for us. You know, I, it's a special relationship that we have in this industry at all three levels. And I, I value that, that you are always at the table with us. So thank you.

Bob: It's been my pleasure and honor, and privilege to be able to engage with you and the members and the more we can do this. I'm happy to do it.

Emily:

Alright thanks so much. Thanks for tuning in. Like what you hear, let's continue this conversation. Give us some love by leaving us a review on iTunes and let your friends know about this show by sharing this episode on social media. You can also follow along and tag me @EmChenevert. That's E M Chenevert. Until next time.