

**ScratchThat Podcast Episode 8: Smooth Operator**

Emily: Hey, I'm Emily Chenevert, CEO of the Austin Board of REALTORS®. Real estate is changing. Disruptors are flipping the script before most of us have even had our morning coffee, so we're taking it to the experts to peel back the layers on what you need to know, scratch what you think you know about this business and listen up for a new version of an old industry. Brokerages are evolving. They're changing the script in the way that they recruit, the technology that they offer, and the industry is evolving right along with them. I sat down with Senior Director of Industry Relations with Compass, Bill Fowler. We talked about everything from burning bridges to beer. I started here, what is Compass' gospel sound like? What do you go preach when you go meet with people and you tell him how awesome Compass is?

Bill: The gospel of Compass is, there are a couple, but the most relevant and the one that I ended up saying a lot is that we're laser focused on the agent. There's a better, corporate propaganda way to say that. But like it's just- whereas Zillow is laser focused on the consumer and…

Emily: Yeah,

Bill: And there's other people who are focused on certain aspects of the vertical that we are laser focused on the agent.

Emily: Well where are you doing that differently though? Cause wouldn't every broker say I'm laser-focused on my agents?

Bill: Yeah, maybe. I mean.

Emily: The good ones should say that.

Bill: Yeah. What, what does that mean in practice? That means that you have, so Robert Rifkin who is the, uh, very vocal and visible voice and face of the company and his mom is, uh, is an agent. He grew up in that environment. And, so, looking at the agent as an entrepreneur, looking at the agent as an individual company.

Emily: As a business.

Bill: We've heard that language used before. There's a training based around that. Um, but doing the kinds of things for the individual agent that allow them to better plan their financial year, for example, which can be up and down, like do the things that the agents need, technology-wise uh, an agent is expected to be an expert marketer and expert negotiator, an expert, you know, in, in a lot of different ways. And I think the industry needs more padding around that cause. In te… My teams are so huge right now. So, we're known for technology, it's part of it, but also just the treatment of the agent. I mean treating every agent as a rockstar. And by the way, that's also only recruiting agents who are rockstars.

Emily: So, let's talk about your recruiting because that's the thing that everybody, the splashiest of the, of the tactics that Compass leverages. Clearly the aggressive tactics are working in a sense that you guys are getting market share quickly I know that's happening in Austin, it's happening in other markets. What's the fallout like though when you make that big splash and create, you know, burn some bridges on- along the way? What's it like in your marketplace after?

Bill: From a corporate perspective, I think when burning bridges or just ruffling feathers, you know, is a sign that you're doing something right when you go, when you build a brand like Compass has built, which is a luxury, focused, rockstar, agent, big market, a sleek brand.

Emily: Very clean.

Bill: Very clean. That's all on purpose of course. And, so, when you pull people who match that mentality, they're going to be the best. They're going to be the most successful. They're going to be the, the most driven. Recruiting I think is, is, is a good word for it. Meaning that you're looking for talent and you're opening the door for talent. The talent walks through the door. The term buying agents or buying talent, I mean, aren't we all? Bought talent to a certain degree you are. I am. Um, so I think when you ruffle feathers, it's the easy way to say it would be sour grapes, but otherwise it's just business.

Emily: So, the fallout is null, when it comes to your ability to just continue to maneuver in the market and make the two sides of the transaction work. Yeah?

Bill: Yeah. I think so. I, you know, I don't have, if not being a practitioner, I'm sure there is fallout market to market and you know, people who, who kind of want to seek they're exact, they're uh, retribution on Compass for doing whatever.

Emily: Right.

Bill: And you've heard, you know, Inman is good at publicizing, so.

Emily: Oh, they're into headlines. Yeah, I'm aware.

Bill: So, yeah. So I can't speak to that directly, but I would just say in my work, you know, when I, I have colleagues who worked for other brokers and you get a sideways glance every now and then when you make a big splash. But to me that's, that's a compliment really.

Emily: You're not the only industry relations person working for a brokerage, which is a new trend now. There's a sweet little gang of you guys.

Bill: It's right. Yeah, a little pack.

Emily: Yeah. But why, what's the value in a team focused just on building relationships with MLSs for brokers?

Bill: The industry relations role I think was really well defined by Zillow because there needed to be a relationship created between, in their case, syndicator however you want to describe them and uh, the MLS community. And so Zillow went out and found people like myself, um, that had these relationships already for the purpose of softening that whatever angst and gnashing of teeth, you know, happened when Zillow did the things that they did.

Emily: Yeah, sorta smoothing the edges.

Bill: Yeah. It's, you know, celebrating successes and building those relationships. Not necessarily when things go sideways, but that's a positive. So then a national brokerage like uh, Redfin or Zillow or EXP and the kinds of people that you, that you just mentioned, industry relations folks. I would say it's much the same thing. Uh, Compass operates coast to coast and we receive data feeds as an example from a variety of places that come in a variety of forms that aren't always what we want, need or expect. And so it's my job really to kind of smooth those edges to, to ask my friends, uh, again, the relationships that Compass needs to maintain, ask my friends for help in solving these problems.

Emily: So how much do you also have to manage the relationships within Compass? What kind of learning is happening where you're helping them understand too?

Bill: Gosh, that's--

Emily: The flip side of the equation.

Bill: Yeah. So industry relations, as I see it and giving away my secrets is, is two fold. It's an internal operation and external operation. So a lot of people will see me as just operating outside of my corporate walls and I work remotely, so I really don't have corporate walls.

Emily: Yeah.

Bill: But you know, they think of industry relations as, okay, we're gonna, you know, smooth over some ruffled feathers someplace or we're going to build a relationship someplace where there isn't but really, it's also interior. My very first meeting, one of my first meetings at Compass, up in New York was with the product team, which is our technology kind of group that builds everything.

Emily: Sure.

Bill: And uh, so we sit down and one of the guys in the back of the room was like, hey, why don't we have all the data? Why isn't there just like we go someplace and we can plug into something and then so you know, an hour later, and a whiteboard and a lot of other questions and it's like they understood the landscape. Well no one had ever done that before to teach them or just informed them about what- just how jacked up.

Emily: Were they underwhelmed with the politics of it?

Bill: Well, you know, some of them were questioning their life choices, I'm sure at that stage, these are guys that came over from Twitter and Amazon and sitting there like, what have we gotten ourselves into?

Emily: Yeah. What's a Board and how does that happen?

Bill: Yeah. Yeah. But once you understand, um, then you understand one, why there's an industry relations role at all because there's, you know, hundreds of these relationships which, yeah the interior aspect of it is, is making sure that, that my company knows what I do, uh, what my relationships can do for us as a company. And there's tons of little, little things that happen in the life of a broker that the relationship with the MLS or the Association is absolutely critical and maintaining that communication.

Emily: What kind of future do you see for having Compass agents be more engaged directly in MLS and Association business? Traditionally speaking, those are not the agents that we see willing to take engagement to the next level. My Board is unique. We, you know, we have exceptional leadership and exceptional buy-in from people who are incredibly busy and very devoted to their business.

Bill: Yeah.

Emily: But that's not the case everywhere.

Bill: It's not. And I think that from, from my perspective, I think from Compass' perspective, it's a business risk that your practitioners are only engaged in buying and selling in the market. There, there really has to be a relationship rooted in the organization.

Emily: Right.

Bill: Uh, and I'm not just saying, I mean when I say business risk, I mean that someone's going to make a decision someplace to under cut some software that you rely on or undercut some-something.

Emily: Yeah.

Bill: And it happens all the time.

Emily: Yeah. The issue is, I don't see you guys in a seat at the table very often.

Bill: Correct. And that's--

Emily: Again, Austin's a little different.

Bill: Yeah.

Emily: Because we actually have a Board member that's with Compass, which is great.

Bill: But I would say as a rule, that's the case everywhere. That's a critical problem frankly, is that we have to get the brightest minds that work in our company.

Emily: Right.

Bill: Who are out there earning and doing the things that they should be doing. I mean, obviously we have to get a seat at that table and that doesn't just mean as a director position, it means at all levels, that means within YPN. And that means within either the nonprofit work that you're doing, and I would, you know, turn that around to you and say, give me a, a gap to fill. You know, if you have a need, then it's my job to recruit and define that person and then push them in your direction.

Emily: I think the deal is clearly we're flipping the script and sort of changing the way that we talk about engagement in Austin.

Bill: Yeah.

Emily: So we should be creating a pathway where that is more feasible and more accessible to the agent that is working as hard as the one that you're describing.

Bill: Yeah.

Emily: But creating the compelling business case for it is, is tricky. Yeah, and I think the way you're talking about it makes sense to me.

Bill: My idea, and again, giving away all my secrets, is an internal leadership program is so you have this, these are entrepreneurs, these are people who are obviously very driven and focused and they're not-- my job is to seek out those people who aren't just driven and focused on making lots of money. When you find the person who--

Emily: The good ones are not, that's the truth of it. You know, the money comes after.

Bill: Sure.

Emily: The good ones are focused on the value of the business.

Bill: And there's plenty of folks out there that will do that. Uh, and, and if my job is to find those people and then my job is to engage you with them. But I'll tell you, I'm just going to give you some, um, some positive feedback here. I think what you're doing in Austin is really important. And I would, my first phone call in this endeavor and it's going to happen, is to talk to you and say if you could change one thing about your, not necessarily your governance, but about how people open that door, the ladder of, of, of leadership, ascension. I'm not going to find people that want to be Board President necessarily. There a lot of people who walk in your door wanting that--

Emily: Well you're not going to find people who want to do it in the traditional sense. But I think if we redefine what the role is,

Bill: Right.

Emily: And set reasonable expectations around it, then there are absolutely agents at Compass that are capable and would be amazing leaders.

Bill: Right, and these are community leaders to begin with. And so if we can create an environment where they feel comfortable and they don't look at it as I'm about to waste eight hours at the Board talking about nothing, you know, we need to change that script.

Emily: The eight hours may still be a thing.

Bill: Yeah. But making sure that they know it's useful time.

Emily: Yeah, so, we're going to take it a different angle for a minute. Compass is doing great things, but you've done awesome things in your career and tenure in this industry. Everybody is talking about the amount of change that we're undergoing, but the truth is we've had change for a long time.

Bill: Yeah.

Emily: And it's not that, uh, there's nothing that scary happening. From my perspective. Things are different. They're evolving. That's great.

Bill: Yeah.

Emily: I actually think the change has to happen faster, but what would you most want to see flipped quickly in our industry?

Bill: I think governance is one of our biggest problems in the industry. Uh, the decision making process is incredibly slow by design I think. Um, so you can't do things that send you off the rails really quickly when you only meet once a month and you make that these decisions and things get tabled and so on. You're talking years before something substantive can happen. A company like Compass looks at that and thinks, well, you know, we have to work around you in order to get anything done, which is where friction happens, which is why I'm sitting here. So if I were to wave a magic wand and change anything, it would be that instead of a Board of Directors making technology decisions, instead of an MLS committee, quote unquote making technology decisions, there's a technology committee. And they can operate independently of the leadership structure or the decision making structure. It's almost like a junk team, almost like special forces of decision makers and they can enact things very quickly.

Emily: So that's interesting. You're not calling for just a more empowered staff. You're still thinking about the way in which the members directly, you know, the user is directly impacting those technology changes, but you just want them to be implemented faster and without the bureaucracy of the decision making process.

Bill: Yes, I think faster is a good word. Um, but not-- but more intelligent.

Emily: More strategically too.

Bill: Yeah, we all know what needs to be done, uh, in the fact that you have a, in most places--

Emily: But we might make somebody mad, Bill if we do things that, you know, ought to be done.

Bill: That's the thing. Again, I think from a, from my perspective, if you're not making someone mad, you're probably not doing the right thing. But I would love to see someone like yourself, you know, create a, almost like a decision making process that is just, that runs around like, we're having chicken salad at our membership meeting next month. Okay. That needs to go somewhere else. You know, we're talking about making changes to the MLS. It's going to affect everyone's daily business and those things probably don't need to be on the same agenda.

Emily: Correct. Yeah. No, that's a great point. We should not talk about the color of the carpet on the same day--

Bill: There's someone for that.

Emily: That we talk about whatever it is.

Bill: Right? Yeah.

Emily: That's good stuff. So what do you think is going right in the industry? What are we doing well, right now?

Bill: The way we do business is getting better. We turn our attention to the consumer, thanks to Zillow. I'm going to do the, a very rare thing and say how Zillow has really benefited the industry. It's turned everyone's eyes toward the consumer.

Emily: And suddenly I've lost all my podcast listeners.

Bill: Right? All these cliques, uh, away from the podcast. But again, what they have done is, is they've given the consumer what they want. And some people are still angry about that and other people have realized that that's probably a good approach. So what we're doing is we're providing information, we're providing service, we're doing things faster, we're doing things that make markets move. So in that sense, and then there are companies that we compete with that are doing some sketchy things that are taking that too, a little too far. But in general, we had our eyes all over the place and then Zillow and Trulia comes along and Realtor.com, to a degree, and starts providing things the consumer wants, we're following that.

Emily: What do you think, what's the biggest pain point for the consumer that's left?

Bill: I think--

Emily: I mean there's a bunch but--

Bill: There are a bunch. Um, the process. It's a ream of paper you have to go through.

Emily: Just the contract to close transaction management.

Bill: The contract to- and I will say that's where a lot of the leverage for the agent is because the agents an expert at this and the consumer walks in, doesn't realize just how daunting it is to list your own house. You have to do your negotiating.

Emily: I think that they undersell that to their clients. You know, I could- I have an amazing REALTOR® colleague, a Board member who is like the Mary Poppins of transactions and she works so hard and is so good at what she does, but they're not telling their clients that they're mitigating all those things because there's supposed to just provide this smooth, seamless experience for their client. But it's really a disservice in the sense that they're not exposing them to the value of the transaction management services that they're providing.

Bill: That's absolutely true. And I think that the, it's why FSBOs fail so often is because people think that it's easy because they've witnessed their, "well, I have an agent friend and this seems to be, oh, she's made so much money" and then you get into it and it's a train wreck. And so yeah, I think what we're, what we're doing wrong, I think could be improved, is that, is that just the freaking a tip to tail blah, is just arduous.

Emily: Tracy Weir was on an earlier episode. She's a wine enthusiast and gave a wine tip. But you have a beer barn.

Bill: I do. Yeah.

Emily: So what kind of tips can you give them?

Bill: Man, this is easy. So there are two tastes in beer.

Emily: Was that the question you expected by the way?

Bill: Yeah, no, it wasn't, but I'm so glad you asked because uh, cause uh, there are two taste in beer. They're sweet and there's bitter.

Emily: Okay.

Bill: And a lot of people shy away from beer because they think it's all bitter. And that's not true. A lot of beer's very sweet. And generally, generally speaking, the darker the beer, the sweeter overall it's going to be because you know, you, you fire malt, you know, when would you put malt in the oven and it bakes the carbonization that takes place. The burning is, it turns it to become, become sugar.

Emily: Huh.

Bill: Yeah. So, and if you're a wine person and you don't like beer, I would, I guarantee you, I can find you a beer you'll like. if you're a cab person, you're going to skew darker. A lot of people that think they like wine and don't beer, go to a light light beer, wrong direction. Go Dark.

Emily: All right.

Bill: Yeah.

Emily: Go dark on your beer. That's right. The last thing, I did a little homework and was looking in your background and notice that you are a cartoonist for the University of Alabama.

Bill: That's right.

Emily: If you are drawing a cartoon of the industry today, what would it look like?

Bill: Oh my gosh, that's a great question. I don't know. It'd probably be like, I would, uh, draw a hockey stick. There's so much money in our industry right now.

Emily: Yeah.

Bill: That I would, I would probably draw some like cartoonish version of this Gantt chart where we have all these bags of money that are like, you know, falling on top of, uh, of the consumer and creating--

Emily: So I'm going to look for a scanned PDF of that cartoon.

Bill: Oh my gosh.

Emily: We'll throw it in the show notes, like, you know, get your sketching out. Oh no, you've got this. You can do it.

Bill: Yeah. I only only drew, uh, for the university so I could get a pass like a, if you, if you--

Emily: A press pass?

Bill: So you can get on the field for the football games.

Emily: Being the southerner that you were, yeah.

Bill: If you worked for the newspaper in any capacity,

Emily: Yeah.

Bill: Then you get a press pass and they give out press passes--

Emily: And the only capacity you could work for the paper in was to be the cartoonist.

Bill: Like, hey guys, I can draw some pictures. That's what I said. And it worked.

Emily: Okay. All right, well send me the MLS cartoon.

Bill: Yeah, got it.

Emily: All right. Thanks so much for hanging out with me. I appreciate you doing this.

Bill: Emily, you're the best. Thank you.

Emily: Thanks.

Emily: Hey team. Let's make this a thing. If you liked what you heard today, share this episode on Facebook, Twitter, or Instagram, and tag me at EmChenevert. That's E.M. Chenevert. You can also subscribe to ScratchThat on SoundCloud and iTunes and grab show notes at ABoR.com/ScratchThat. Thanks for joining me today. Now let's go get some stuff done out there.