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*by Art Vuilleumier July 2009*

## **Why does a Real Estate Company need a Technology Plan?**

We wouldn't run a business without a business plan, why do we implement new technology without a technology plan?

It's fascinating to see how many REALTORS® have changed their attitude toward technology. In just a few short years I've seen mortal terror and abject loathing replaced by healthy curiosity and in many cases aggressive pursuit.

With the move online of MLS's such as MLXchange, Real Estate Forms software ZipForms, Social Networking, Cloud Computing and numerous other online technologies, the technology bar has been significantly raised. We have been compelled to re-think our technology needs and ultimately forced to reflect more broadly. So these days' we don't often talk as much about whether we need it, but instead, our thoughts often wander to how much technology we need to buy, how we can use it and in these tight economic times, how can we best leverage our existing tech holdings.

I think in many cases the techno-pendulum may have swung too far in the other direction, in my opinion, the social networking craze is an example of a great idea over-done and over-hyped ... no one has yet shown me solid planning and solid ROI numbers for the Social Networking genre.

It sure can be fun ... but does it really make money?

Fascinated with the continuing parade of new toys and the promise of success gained through a "Techno-Superiority" ... the industry feels that the pressure is on and the juggernaut is on a continuing roll to the "Bleeding Edge".

Many times we all forget that technology is a tool just like a hammer or a screwdriver, it's a tool that serves a purpose only if you have a clear goal to accomplish. The administration, management and use of information technology (IT) may well be the most demanding task ever to challenge the real estate business. It certainly is one of the most high profile developments in recent years. Over the next few years, the application and use of technology may well determine the winners and losers in a renewed and reconfigured real estate industry. It's not just real estate that's being sucked into this, it's all major industries.

Many industry Guru's have openly admitted that in order to stay competitive, their companies have had to move extensively online and in particular, social networking just to stay alive! Many contemporary management thinkers have indicated that it's a "must have" strategy to move rapidly into advanced technology to ensure that their companies could stay current. These same companies have a major plan to embrace electronic commerce and the online consumer, and to establish strategic business alliances.

This is a theme that's running rampant through all of American business, "we are threatened, we must keep up, and we must get e-business."

What the real estate business seems to lack is what other industries have long recognized ... plan, plan, plan!

***No "Techno-Babble" is Policy - Keeping "Tech" Simple is My Goal!***



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While we've been busy wringing our hands over the economy and poorly performing real estate market, virtually all major industries and companies have recognized the need to develop technology plans in support of their business plans.

This is a novel idea in real estate. Technology and business automation have traditionally been viewed as a cost having little to do with the overall business strategy. As one client put it aptly ... *"one commission check can easily pay for that new laptop, printer and software ... but the cost of that technology is minimal in comparison to the revenue it can help me to generate"*.

It's long overdue for the real estate industry to take on the challenge of comprehensive technology planning. It's imperative that real estate firms and agents view technology as a strategic resource and a vital requirement to the success of the enterprise. The technology plan must support the overall strategic plan and must be an integral part of the resource allocation process. If information technology is an integrally linked part of your business plan, it can create a substantial and sustainable market advantage for the entire enterprise as well as for the individual agent.

If information technology (IT) is to yield a market differentiator, it's essential that owners become conversant with IT. Many owners are unfamiliar and uncomfortable with IT and often place it under their financial organization because accounting is the major application they see. In reality, the creation of an effective plan often will require the addition of a competent and effective technology manager! Whether that person is internal or an outsourced resource is immaterial ... This person should be a member of the senior management team of the organization and know both technology and real estate. What this means is that this person must have detailed knowledge of the company's strategic and business plans as well as its technology plan, and have ownership of the firm's success along with the other senior officers.

To the extent that many forget the necessity of planning and integrating technology with the way we do business, others tend to flail about without producing much for results. There are many competitors out there who know how to use technology and are working diligently to learn about the real estate business. To beat them, you need to understand technology, get the planning done and get on with the implementation ...

If you don't know to get started, just feel overwhelmed with it all or simply need an objective opinion on your current plan, contact a qualified professional ... they have the tools, knowledge, experience and training to address your needs quickly and efficiently.

Don't have a line on qualified technology advice? Call me at (888) 767-0119 or email me at [art@jittech.com](mailto:art@jittech.com) ... I'll be happy to help you develop an appropriate technology business plan!

Here's to prosperity!

Regards Art

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