

Logging On

Web-based transaction management lends a competitive edge for brokerages.

By Kevin MacDonald

As real estate transactions have become more complex and paperwork has increased dramatically, brokerages are turning to a number of software options to increase mobility and facilitate digital management.

During the last few years, a number of Web-based products have been introduced into brokerages while others have actually created their own systems. These systems are accessible from anywhere by both agents and clients who receive authorization to do so. CRB Designees David Fialk and John Pinto share their insights.

The Road to Tech

David Fialk, ABR, CRB, CRS, e-PRO, GRI, is something of an early-adopter to technology. A REALTOR® since 1971, Fialk has witnessed the industry's response to technology. He fondly recalls his first cellular phone ... purchased in 1987 for the "low, low price" of \$1,350.

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David Fialk

Fialk prides himself on being personally vested in nearly every transaction made through his company, Choice Realty Co., which operates in central New Jersey. Being a small, privately owned real estate agency, he is continually investigating methods and products that would provide an edge over his competition. This proactive and aggressive approach to adopting technology led Fialk to creating his first Web presence nearly 10 years ago. He began us-

ing SettlementRoom in 2002 because of its relative ease and convenience.

SettlementRoom, a CRB Product Partner, is Web-based software that manages your real estate business from the time of listing until after the closing, saving time and impressing clients. As a Web-based product, it requires no software downloads or intense training.

“SettlementRoom is a pay-as-you-go service,” Fialk said. “As a small, independent company, I wanted to save money, and SettlementRoom allows me to do that.”

How it Works

“With SettlementRoom, I can receive all the sales transaction documents as they come in, turn them around and post online immediately. That documentation can be viewed online by buyers and sellers ... a huge perk, especially when they live out of state,” he said. “SettlementRoom eliminates three to four days in every major aspect of a transaction in viewing, approving and signing.”

While some products were too cumbersome for the average user, others weren't sophisticated enough, according to Fialk. Perhaps the biggest advantage he finds with SettlementRoom is that it provides real estate professionals the necessary tools to manage transactions without requiring advanced knowledge, training or software expertise.

SettlementRoom also enhances the listing process with a one-stop program for promoting a property. Within one application, agents or brokers can post a listing on the Web, add online tour links, post to realtor.com and manage all documentation.

“SettlementRoom has enabled me more opportunities, listing-wise, in this competitive market,” Fialk said. “This is

a service I provide that my competitors don't have.”

Not Optional!

“The highway of transaction management systems has been riddled with the dead carcasses of companies that don't understand what it takes and what it would've taken to adopt a true transaction management system,” said John V. Pinto, ABR, CRB, CRS, ePro, a California-based REALTOR® with more than 30 years of experience in the industry.

Managing transactions with paper is costly, not only in terms of money, but time and resources. “Scanners, shredders, file cabinets and the square footage required to house all the records,” Pinto said. “I know one broker who's spending \$100,000 a year on standard paper forms. That's just the paper cost alone! And I can guarantee he's putting 90 percent of it in the garbage.

“I was paying more than \$11,000 a month for 5,000 square feet of space,” he continued. “That's not even including the cost of paper, letterhead, envelopes, postage and file cabinets.”

How do you cut transaction costs without adding stress or red tape? In Pinto's book, *Real Estate In The New Millennium*, agents and brokers have about four options:

- Hire your own transaction coordination team
- Go without a transaction coordination process
- Buy software
- Sub-contract with a transaction management and coordination company

Necessity being the mother of invention, Pinto developed REALT-E-TRANSACTION, a Web-based, transaction management and coordination company that caters specifically to the real estate

industry. What initially began as a small team including his wife and new hires to streamline and digitize transactions has become a model for the entire industry.

Team Becomes Company

“We decided to carve out the team as a separate entity,” Pinto said. “Twelve months later, that team is now managing and coordinating transactions for 50 real estate companies.”

REALT-E-TRANSACT utilizes Sure Close software from Stewart Transaction Solutions. While any agent or broker can purchase software and perform the duties in-house, Pinto believes the toll in time and resources is far too costly.

According to Pinto, the key to a transaction management system is not the software itself, but rather creating an “assembly line” process for workflow and having resources to focus on that end while agents, brokers and owners can focus on what they do best, buying and selling.

“As I like to tell the owners of transaction management systems, no matter how good your software is, it’s only one leg of the tripod,” he said. The other two “legs” of the tripod, according to Pinto:

Actual workflow and the team to record and enter the workflow and transactions.

“The transaction team is not selling, managing or showing property,” Pinto said. “All they’re doing is executing the proprietary workflow, just as a commercial kitchen does when catering a 500-person dinner.”

In an industry in which sales and revenue wax and wane, Pinto believes sub-contracting transaction management saves time, money and stress for broker owners.

“When you are a small operation, and you hire people in-house to manage transaction management, you’re easily talking about six figures a month; for a medium operation, seven figures. And that’s just to manage transactions!”

The Bottom Line

In terms of costs associated with sub-contracting, Pinto advises it is money well spent to hire an outside team.

“You can buy your own software, but running this software is like running your own IT network,” Pinto said. “If you’ve got a small office and you’re try-

ing to do it yourself, you’re going to be professionally crippled.”

The value of this service being Web-based, and therefore accessible from

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John Pinto

anywhere isn’t lost on Pinto. “Nearly everyone has access to a wireless Internet connection via a WiFi card,” he continued. “Transactions can be accessed from libraries, cafes and home. The convenience alone is a substantial savings.”

The future of the industry is mobility and digital management, Pinto said. “Anybody who insists on the old model will be buried.”

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