



“Consumer-Centered, Results-Focused
Real Estate Solutions”®

Consumer-Certified Real Estate Consultant

A Canadian Education Program
offered by:

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Introduction

The Consumer-Certified Real Estate Consultant® (C-CREC®) designation, launched in 2000 by real estate educator Julie Garton-Good, is the first international education program of its kind to train agents how to unbundle their services and skills by employing a fee-for-services consulting partnership with the consumer. Also known as “real estate a la carte” this unique approach creates transparency for consumers, allowing them to customize what they need, and pay professional fees to receive it - just like other business professionals are compensated. Fee-for-services consulting can be used as a sole business model, or seamlessly meshed into the professional’s existing listing/selling business. It’s the results-oriented solution to the activities-busy dilemma that’s long plagued the real estate profession.

More than a decade of information was gathered directly from consumers via one-on-one interviews, surveys, home fairs, etc. to query what consumers wanted from real estate professionals as well as what they disliked and/or didn’t understand about the process. After sifting through the issues, the results were incorporated into the Consumer-Certified Real Estate Consultant® designation curriculum. The course is presented from a consumer-centric position, dispelling long-held industry myths and pinpointing how consumers want to work with professionals as re-invented trusted advisors.

One of the greatest benefits to the C-CREC® designee is crunching the numbers to determine exactly how much he/she is worth---per hour, per task, per consulting engagement; and then to analyze what’s truly profitable. Once realized, it becomes a self-fulfilling prophecy and free services are either eliminated or converted into fee!

Offered once in Canada in 2001, and after a long hiatus, the Canadian license for the C-CREC course was awarded to SMART-ER in 2013, who is proud to bring this business-changing course to you.

Course Objectives

Upon completion of the C-CREC® designation and new business models course, you will be able to:

- Clearly differentiate between "discounting" and "fee-for-services consulting"
- Drastically reduce the amount of free/non-fee services you provide
- Decide which services you can safely unbundle and which should remain packaged, and why (based on licensing laws and liability)
- Determine the dollar value of one-hour of your time, the profitability of each service you provide, and which services you should never perform again
- Cement a client relationship for life using the Consumer Needs Assessment® tool combined with retainer fees and a customized "Results Timeline" for each consulting engagement
- Customize a two-page "Our Game Plan for Working Together" agreement to explain to consumers what you will and won't do, their role in your partnership---reduced to writing and agreed to before you start working together
- Determine the best target market niche and design services to deliver to that target client
- Complete and apply a three-page business plan to seamlessly integrate consulting activities into your current listing/selling business (if applicable)
- Access and personalize downloadable forms, checklists, logos, and consumer-centric marketing materials as a C-CREC® designee



Once You Are Certified

As a Consumer-Certified Real Estate Consultant® you'll have access to myriad cutting-edge tools to assist in launching and fine-tuning the real estate consulting portion of your business.

C-CREC® Consumer-Centric, Results-Focused Materials Include:

- "21 Ways You'll Benefit by Working with me, a C-CREC®" personalized brochure
- "Seven Guidelines for Fair Consumer Pricing in Real Estate" personalized brochure
- Consumer-Needs Assessment® CNA® personalized worksheets
- "Our Game Plan for Working Together" agreement
- Personalized "Can You Go it Alone as a Seller?" Quiz
- Personalized "Can You Go it Alone as a Buyer?" Quiz

C-CREC® Business "Power Tools" to Amp Up Your Consulting Power Include:

- C-CREC® Financial Plan Calculations Template
- "Show Me the Profit" Calculator
- "Top Twenty Questions for Framing Your Consulting Business Plan" worksheet
- "Identifying My Consulting Target-market Niches & Products" worksheet
- Your online designee profile accessible to consumers and linked to your business website
- Specialty webinars available solely to C-CREC® designees
- Database access to the latest real estate business model research

Module #1:

Welcome to perhaps the greatest paradigm shift to impact the real estate licensee in the past one hundred years--the reinvention from "salesperson" to "consultant". While listing and selling will still be part of the job description for some, others will choose to solely consult using a variety of compensation models to unbundle fee-for-services to consumers.

Consumer Realities

Over a sixteen year period, more than two hundred consumers were interviewed to determine what they liked, disliked, understood and were confused about in the home selling, buying and real estate process. The findings of The Frugal HomeOwner® survey comprise seven "Real Estate Consumer Realities". It's interesting to note that four of the seven focus on money/value (or the lack thereof) as related to real estate services/practices. But the survey also uncovered that it's not that consumers' don't want to pay for professional real estate assistance, they just don't like the WAY they have to pay---a predetermined percentage of the sales price. They also felt strongly about being in greater control in the transaction and "assisting" the agent when possible, being rewarded by paying less.

Consumer' reality #5 speaks to the fact that consumer's hesitate to trust even the most sage, knowledgeable agent due in large part to the fact that he/she has always been compensated by "selling" something. Once the salesmanship aspect is stripped away (as in consultancy) the consumer is much more at ease to speak openly and deal more fairly with the professional.

Reality #6 made transparent what we've known all along about the real estate profession and its related activities: 1) most consumers don't really know what we do; and 2) unless a task/activity is made tangible to the consumer, it has little if any value.

Perhaps of greatest interest was that when asked about "service" received from the agent, less than 10% of unsuccessful sellers were able to even DEFINE it! After explaining to her what it was, one woman commented, "Oh, THAT, was service! I got a whole garbage can full of service. What I didn't get was RESULTS!" Absent results, service is meaningless.

Industry Evolution

While it's true that the industry is still feverishly holding on to the one-hundred year-old broken model, it's on life support due to low, or no, profitability, high expense, and the inability to adapt to today's savvy real estate consumer.

It's a little-known fact that real estate brokerages sprung up not near or at a bank, but at the downtown barbershop! As gents got their "ears lowered" each month, they talked about who wanted to sell their land, buy more land.... thus, the building with the red-and-white barber pole was the first unofficial real estate brokerage!

Why the Traditional Model Is Shattered

The real estate brokerage model is not one you'd see Mary Kay Cosmetics or Bill Gates using to set up a profitable enterprise! In fact, when you describe it out loud to someone, it's almost ludicrous! We have no control over inventory, buyers or sellers, expend money before we receive it, all in an emotionally charged environment that's fraught with liability.

What's Your Cost of One Side?

IF your expenses are \$60,000 and you do 40 ends, that means your Cost per Side is **\$1,500**. AND that's **before YOU get PAID!**

In the "Frugal HomeOwner®" survey, consumers additionally voiced that:

- 1) An agent was likely to tell them anything just to get a listing (sometimes not even communicating with them afterwards); and
- 2) Didn't agents know that once a sign has been on a property too long, it basically screams, "This broker/agent can't get the job done!"

Which leads us to the question: What is **YOUR** cost of doing one transaction side? (a listing or sale) You can crunch the numbers on the slide to find out. By the way, less than ten percent of brokers/agents know this answer!

Yes, that IS "The Donald" with what looks like a "double" comb-over.... (Both north/south and east/west) but in our industry, we're just as oblivious to what doesn't work and why fessing up to the facts of the matter just might be a step in a "profitable" right direction!

Why is the broken model still around?

So why is the "broken model" still around? With busy markets and record prices in some areas, or a lack of business in other areas, the last thing brokers and agents want to do is experiment with a new business model. Even though the traditional business model is in its' death throes, the chaotic pace and demands of sellers (AND buyers) in the marketplace conceals the fact. In other words, we're activities-busy, not profit-focused!

What could further erode the traditional business model?

Here's a brainstorming exercise to further expand this idea. Question: What events/situations could further erode the current real estate model?

- Continued increase in house prices
- Increase in interest rates
- Tougher mortgage guidelines (means fewer buyers therefore, more pressure on sellers in the traditional model)
- Restraint of trade commission lawsuit settlements for potential price fixing (several are currently pending across the country)
- The entrance of large additional corporate players into the real estate industry

You might question why we WANT the current brokerage model to break? Just as they found in the financial services, travel, and automotive industries, we don't want things to change - but it's out of our hands. It already has.

WHY a Commission?

Virtually no other profession or financial service takes a percentage of the hard-earned asset as payment for services rendered. If your attorney attempted to charge you "X" percent of all your marital assets to perform a divorce for you, you'd jump up and run out of her office! With today's nest eggs shrinking at the speed of light, people living longer, and costs going steadily up; and additionally, what they do have, they feel it's too hard won and too dear to pay out in a percentage lump sum to obtain a service, parts of which they believe they could perform themselves.

What could save our compensation?

New business models and approaches that have consumers' paying for what they need, when they need it is a plausible win/win solution for professionals and consumers alike!

Why new biz models now?

1. 'One size' never really FIT all!
2. "FREE" is killing our profession
3. Consumers are disillusioned and don't know who to trust.

Agents MUST morph from Salespeople to "Trusted Advisors / Consultants!"

Consumers want a different level of service

Moving forward, consumers want all the facts possible to help them make their own informed decision, and win in doing so.

- Options (services, approaches, fee structures, etc.)
- Accountability from a trusted advisor
- Transparency – show me how it works so we can custom-design my experience so I can win.

Trusted Advisors build a client for life

This is the working premise of the Consumer-Certified Real Estate Consultant® (C-CREC®). It's our job to "guide, not decide; and tell, not sell" when it comes to our role in working with consumers. It's those tenets that help create a "client for life".

A.D. Little Survey

In 1999, the National Association of Realtors® commissioned A.D. Little Consulting to do an in-depth survey regarding what the real estate landscape (particularly the profession) would look like by 2005 and beyond. It was based partially on their findings (as well as the consumer' surveys referenced earlier) that the National Association of Real Estate Consultants® (now global as the International Association of Real Estate Consultants®) was founded and the C-CREC® Business Model designation course was created. And while not all of the predictions made by the survey met the projected time frames, many of them are present in the marketplace today. You can read the entire A. D. Little survey at http://www.iarec.com/img/ADLittle_NARStrategicPlan1999.key.pdf. It's amazing to see how many of them mirror what consumers told us in the "Frugal HomeOwner®" survey findings beginning in 1999.

Three power groups

As projected in the A.D. Little survey, today we see three power groups.

Power Group #1 - FSBOs

It stands to reason that if consumers don't have faith in, or see the value in hiring an agent, they'll go (at least initially) the route of the FSBO. While 20 – 30% market share is predicted here, over time, it could expand to be a much greater piece of the entire market pie.

Power Group #2: Aggregators

You only have to look around at online services and aggregators to see that this power group ramped up early and will continue to flourish. And many of the products and services they offer are designed to assist the DIY home seller and buyer. Rogers.

Power Group #3: R E Consultants

As the A.D. Little report so aptly projected, the market of the past few years has made real estate agents realize that "merely being a salesperson" will no longer cut it with consumers. They're looking for team players/partners with a high degree of expertise, much like the CPAs, attorneys, and doctors they turn to to solve their problems. With the massive erosion of percentage commission, more professionals will gravitate to the higher calling of real estate consultant.

Regarding how we're perceived by consumers, the Frugal HomeOwner® debriefing of consumers found that the further the real estate practitioner moves from solely employing salesmanship tactics found in the traditional business model and begins to deliver a more consultative approach to problem solving, the more satisfied with the person and the process the consumer seemed to be. Unlike the somewhat negative connotation of the term "salesperson", consumers perceived that "real estate consultant" would be more of a trusted advisor like an attorney, accountant, or physician

Possibility? Skype for R E Consulting

Consider this. With today's technology like "Skype®", what's to prevent you from consulting at a distance with clients anywhere in the province you're licensed, from the comfort of your own home office? Via your website, you could:

- Have the consumer complete a questionnaire to initially determine if you could, or want to, assist them;
- Email them your province's agency disclosure form for acknowledgement;
- Set-up an appointment time to chat/Skype®;
- Provide them with a complimentary fifteen minute Consumer' Needs Assessment® debriefing which we'll outline in Module #3 (again, to determine if they have a need you can help them with); and, then (if there's a meeting of the minds) they would:
- Go to your website and "cha ching" their credit card in payment for either the pre-determined service or at a minimum, your upfront-retainer fee.

(In accordance with license law, all fees for rendering real estate service/advice would first pass through your brokerage's trust account)

Consulting covers the entire range of services

Perhaps one of the most exciting things about working as a real estate consultant is that many of the tasks you perform have nothing to do with listing or selling. In fact, if you take a look at Supplement #1 in your Course Supplement section, (and on the slide that follows) you'll find a wide range of services that consumer's need today and are willing to pay for. This form will be emailed to you to be personalized with your information to present to consumers. The sky is truly the limit!

Your top nine concerns about real estate in this decade

Present this form to consumers to remind them that you can assist them with fee-for-services consulting outside of the listing/selling process.

What role will brokerages play?

A.D. Little once again nailed the mission for reinvented brokers - to serve as manager/advisor to agents, while continuing to improve the "brand" of the brokerage. Brokers who are not financially savvy in managing their business moving forward will have a difficult time being profitable.

The three power groups must give consumers...

Once again, it's all about providing transparent information, options, and competitive prices to consumers while letting them equally partner with the consultant.

Time to dispel the myths about our professional fees

While we'll spend much time covering these fee myths in the second module, it's interesting to note that a majority of traditional agents believe these myths to be true to some degree.

Myth #1: A large gross commission means profit

In real estate, the focus has always been on the gross commission, and, as we saw previously when we determined our break-even for a transaction side, anyone who believes that it's all about the gross, is living in a total state of denial!

Myth #2: Broker/Agent Profit will erode by adding fee-for-service

If you ramp up services by focusing on where the profitability lies and can quantify it from the start, you're able to add profitable fee-for-services business menus over the top of your traditional full-service model. It's a win/win since you usually aren't increasing overhead per se, but you ARE increasing profitability!

Myth #3: Unbundling Works the same as Fee-for-services

As we cover in-depth in Module #2, discounting is polar to fee-for-service consulting since, with discounting, there's little if any regard for profitability - just lowering fees in order to attract volume - which does not, in most cases, do much to impact true profitability.

What is Fee-For-Service Consulting?

Here's the working definition that we'll refer back to during the course. The important ingredient here is you always work with your eyes focused on "show me the profit" - and include that important ingredient in any service or menu-of-services you design.

Inman compensation structures by 2020

When Inman News ramped up an online poll in 2010 to pose the question, "What will compensation structures look like in 2020?", agents voted overwhelmingly that "fees will be based on specific services selected by consumers"----once again, fee-for-services consulting is the all-out winner!

2011 Inman Compensation Structure in the next five years

And here's additional proof that business model and compensation changes are picking up strong headway and accelerating at a faster-than-expected speed in the marketplace. In the 2011 Inman Compensation Survey, when asked what compensation would look like in the next five years, a whopping 36% of brokers/agents polled believed that we will be paid fees-for-services compared to percentage commissions that will occur only 43% of the time.

New compensation models around the globe

It's interesting to note that other countries, particularly in Europe, have already embraced models where they're compensated for the difficulty of the task as well as its duration.

Mark Nadel's White Paper

Even if you read none of the other Supplements in your Course Supplement section, make sure you cover Mark Nadel's white paper. It's an incredible journey through the mind of the consumer, posing questions about why we charge what

we charge and why we aren't diversified in what/how we charge. Great read and super application for ramping up new business models. And you can find it as Supplement #2 in your Course Supplement section.

We are no longer solely a sales profession

This is a good thing. - a very good thing. Once we can strip away the mantle of "solely being a salesperson" we can explore the wide range of additional roles we can, and should, play with the consumer....

Fish man

This is a prime example of a traditional agent trapped in yesteryear when we thought we needed to have some bizarre approach to marketing ourselves. Unfortunately, here he was, sitting in an antique chair, in a Brooks Brothers' suit, and he had a salmon protruding from his jacket.....And his tag line was, "I'll work hook, line and sinker for your business." When asked what this picture said to him, a former commercial broker replied, "I think it's a bunch of CARP!" Thank goodness a majority of reinvented agents see how silly and futile this "it's all about me" approach is today with consumers.

Consumer-centered, results-focused, real estate solutions

The International Association of Real Estate Consultants® designed the C-CREC® course and designation---to put YOU at the head of the pack, leading the industry through this time of paradigm change. IAREC®'s slogan since 1999 has been, "Consumer-centered, Results-focused Real Estate Solutions®". The focal point for the C-CREC® designee is to assess and address the consumer's real estate needs in a time-efficient and cost-effective manner, always focusing on results, not merely activities. It's what the reinvented consumer demands and what we will deliver. Many thanks for letting us share in your education and development as a reinvented Consumer-Certified Real Estate Consultant®. (C-CREC®) We welcome you on your journey!