



OPINION

Fear being disrupted? 4 reasons this indie broker's over it

Get off your soapbox, prove your value to your clients, and go sell a house

BY ERICA RAMUS

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Erica Ramus is an indie broker and a tech geek in Pennsylvania. Her [regular monthly column](#) publishes on Thursdays and covers an array of topics including recruiting, independent brokerage, technology and social issues.

Disruptors, iBuyers, lawsuits. This year has been filled with more cries of “the sky is falling” than I remember in my 20 years in this business. I could spend all day on Facebook and reading news articles about how new players threaten us with extinction. What’s a [regular old traditional broker](#) to do?

going on in the industry.

But I'm seeing more and more time being spent ranting and raving over "those guys" coming in and stealing our buyers or sellers. Robbing sellers of equity. Trying to take money out of our pockets. I'm over it. Here's why.

1. It's not just us

Many industries face disruptors, not just us. One of my clients is a dairy farmer, and he was talking to me recently about how his industry has been turned upside down in the past 20 years — by technology, big conglomerates and the internet.

Yes, a dairy farmer has many of the same concerns as we do. Different players, different product (one you have to keep alive) — similar issues.



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Another client is in the car business. He's on the phone buying an investment property from me and brings up the "D-word" in our conversation.

Yes, car sales have gone through major disruptions as well. We are not special. I'm not sure if dairy farmers and car salesmen vent their issues on Facebook as prolifically as real estate salespeople, but the world as a whole is undergoing massive changes.

Years ago, Thomas Friedman's *The World is Flat* was an eye-opening book that explained how economies were becoming international, not just local, with a global workforce and product distribution.

That's no longer earth-shattering news. It should be no surprise that the internet and technology are shrinking everything — distance you can work, time it takes to buy or

I'm tired of the travel agent analogy, but I'm going to use it anyway.

When bemoaning that agents might be put out of business, people cite travel agencies. While the numbers of travel agents certainly has declined due to the internet and websites, such as Travelocity and Expedia, there still exists a need for living, breathing agents in the business.

2. We won't all disappear

Recently, I traveled on business, and the company paying me used a travel agent to book my flight and hotel. Nice. But the real reward came when the flight was delayed several times due to a maintenance issue.

After sitting at the airport for six hours, I tried to arrange to jump on another flight, in person at the desk. They booked me into the wrong airport. Then, they canceled my return ticket in the process.

I spent more than 30 minutes trying to fix the issue in person. I called the travel agency while standing in line again, and within a few minutes, they had me rebooked on the correct flight into the right airport. They saved the day.

Just as travel agencies still exist, [real estate agents](#) and brokerages will survive, though maybe not as many as in the past. I don't think this is a bad thing.

The strong, the nimble, the ones who can differentiate themselves and prove their value — they will survive. The slow and clumsy brokerages that cannot adjust their business model, the agents just struggling to get by on a few deals a year — they will disappear. I don't have a problem with that scenario.

Stop your hand-wringing and cries of "it's not fair." Stop using scare tactics on agents and the public by claiming that [iBuyers](#) and disruptors are evil. Acknowledge what they

Some will make it, and others will wither away. That's what happens in all industries. Upstarts come in and rattle cages. Some take off and might change the way the market operates, while others (many more) will disappear.

The headlines I'm reading now scare me, not because I'm afraid of being disrupted, but because I'm scared because our industry is digging its head in the sand and crying foul.

It's the old guard, the same old, same old way of doing business. Be upset because someone is acting unethically or illegally, not because they are operating a different business model.

3. Life's not fair

It's not fair that new companies are coming into "our" turf and making us think hard about how we run our own businesses? It's not fair that they are "cutting" our commissions and breaking up the status quo? Bullshit. No industry is safe from upstarts and technology.

Don't get me started on the phrase "[commission cutting](#)." All commissions are negotiable. Period.

There is no standard commission, therefore, how can one company come in and be accused of being a "discounter" when the only fee that matters is what your broker set as the company fee?

The [lawsuit against NAR and several major franchises](#) regarding our commission structure is a big scary unknown. I admit that it's a major threat on the horizon right now.

Don't feed the fire by posting online about other agents and their fees, period. Just worry about your broker's fee and what he or she requires you to charge.

and/or take a smaller fee to sell a house, time will tell.

Real estate professionals are so afraid right now that they're even trying to scare consumers by telling them that iBuyers steal their equity. If a ready, willing and able seller agrees to sell to an iBuyer, on their terms, how is it stealing?

Some sellers, like it or not, will pay a premium for convenience and certainty. The car dealer I spoke of earlier is an example.

After telling me about his industry's changes and the new players he has to deal with, I asked him if he needed to move to a new area and wanted to sell his house quickly and easily — with no showings and a guaranteed quick close — would he take a hit in the net to him? He agreed in a heartbeat.

Of course, it would depend on how much he would be giving up, and it would depend on his exact situation (Divorce? Illness? New job?) and how much equity he had in the house, but he agreed he would not think twice about giving away 10 percent or more if he had a guaranteed sum in his hand without the hassle.

Since he owns his house free and clear, in the right situation he said he'd give up even more to make the deal work. Not all sellers can or will do this, but he's an iBuyer's target audience.

4. It's time to pivot and adjust

As an indie broker, I might not have the money that some of these new tech companies have, but I have different strengths. I am small and nimble. I can change my own business model on a dime if I wish.

I can offer a menu of services, not one fixed fee. I could move into the iBuyer turf and offer to buy outright for sellers who fit a certain profile.

It's happening. Get over it. If iBuyers take 20 percent of our market share as projected in the next few years, that still leaves 80 percent of the deals on the table. That's not the apocalypse for our industry.

The best will survive. So work now on being the best. Strive to be the best agent in your office or the best brokerage in your market. Improve your skills. Keep your head down, and focus on the job at hand. Don't be distracted by all these cries of doom.

If we took the hours that some professionals spend wailing on Facebook and plowed them into productive activities — prospecting, showing houses and writing contracts — then we might see some positive results.

Get off your soapbox, and go sell a house. Prove your value to your clients, as that travel agency did to me when I was stranded. Don't be in the 20 percent club.

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SAVE MY SEAT

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Tom Schwenk

Well written and well said! Thanks

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Thomas Barkoczy

This. Is. Fantastic!

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Kenneth Jenny

Nice job here with the article.

I have long said that you should just pause, collect your thoughts and then proceed to learn from those that you "fear."

And if someone or something is truly threatening you, it is likely that the reason has something to do with the that something you are doing has not changed sufficiently to satisfy the needs or demands of the consumer. No worries, just analyze what those forces are doing and then fix whatever it is that you are not doing.

Your biggest competitive advantage is your presence in the business today. Consumers who have relied on your services ... [See More](#)

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John Knox - Nelson Real Estate

So true. As a fellow Indie brokerage owner - you've taken the words right out of my mouth. Well done!

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Jay Thompson

Hear that sound? It's your one-man standing ovation from the Charlotte airport.

Bravo.

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Erica Ramus

Thank you Jay Thompson!

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