

WHITE PAPER

Real Estate Brokers: Is your CIO future proofing your business?



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I love my CIO but...

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The Chief Executive Officer (CEO) of ABC Realty, Inc. likes and appreciates her Chief Information Officer (CIO) and the contributions he has made to the business. The firm's technology appears to be stable and successfully enables day-to-day business operations. Properties are sold, listings are taken and agents are onboarded as they affiliate with the brokerage.



Never the less, the CEO questions whether firm's technology, as it is configured and managed today, will enable continued growth. Can my CIO drive the innovation we need? Is my leadership team engaged? Do we have the technology vision and the innovation roadmaps to excel? Do we have the talent to execute? The right partners? The right products? Commitment and passion? Her questions are not unique. Rather, they are keeping many CEO's up at night.

Some of these questions have arisen because the CEO just returned from an industry event where many of her peers, both in breakout sessions and in informal gatherings, spoke about technology driven innovation in their firms. In moments of reflection, the CEO has started to question a number of things. First, the CEO feels a bit disconnected because it seems the CIO keeps things too close to the vest. Second, while operations are stable, spend is on the rise and it is hard to understand the incremental value of that investment. Third, there is some persistent user dissatisfaction in the tools and systems within the brokerage. Finally, when the CEO

does engage the CIO to probe these topics, his answers tend to be in the language of technology, making comprehension difficult and resolution unattainable.

Now, having invested considerable time talking to peers and business leaders both inside and outside the industry, the CEO has determined what she needs out of the role of Chief Information Officer at ABC Real Estate. What follows is an excerpt from a hypothetical memo to the CIO articulating her expectations for how her CIO must operate going forward for ABC Realty to thrive. In reality, what follows will become the norm for almost any CIO, in any business, who is charged with leading transformation and innovation. The role is evolving. Not all will be able to adapt.

Excerpts from the CEO's memo to her CIO:

✓ **Become my Chief Innovation**

Officer. Nobody else has a holistic view of our business as you do.

Technology underpins everything we do. If we are going to innovate, it has to be driven by you. I do not mean go it alone. All aspects of our business, Marketing & Sales, Finance, Human Resources, Operations and Affiliates need to jump on the innovation train. Being

out front means you will be exposed, I get it. There may be missteps along the way. That's ok, we are in this together. We cannot settle for comfortable. We cannot settle for status quo. I need you to lead the way.



- ✓ **Develop your Bucket List.** Operate as if you have a 2 to 3 year window to do incredible things. Think big. Create the vision. Take chances. I am not condoning recklessness. Collaboration is critical. Results still matter. Continuity is important. However, do not overinvest your time in continuity. Invest in game changers. Revolutionary products. Market changing analytics. Strategic alliances. One big win can make the difference.

- ✓ **Invest in the Difference Makers.** Not only are you the CIO but you are also in charge of your team and their capabilities. Always know who your difference makers are, compensate them appropriately and be sure to invest in their continuing development so that irreplaceable knowledge does not flow out of the organization. The investment in equitable talent replacement typically far exceeds the cost of retention.
- ✓ **Educate.** Bring us along with you. Do whatever it takes to be the emerging technology expert we need. Seek knowledge, network with peers, learn from our vendors and get a little bit smarter every day. Be transparent about our



opportunities, the risks we are taking on, the cost to the business, successes and failures. Make the complex easy for us to understand. Make us all better business partners by arming us with knowledge.

✓ **Evangelize.** As my Chief Innovation Officer, at times you also take on the role of Chief Enthusiasm Officer. Create the vision. As CEO, I work at this all the time. I need our employees to be passionate about our mission and our strategies. I need our Board to believe in the direction I am taking our company. I need the same enthusiasm and confidence from you. Evangelize the vision and the roadmap to get us there. Get our employees enthusiastically invested in our future and help them make it happen.



✓ **Walk a Mile in Our Customer's Shoes.** I am defining customers here as those involved in the processes that conclude with a transaction. Agents and buyers. Spend time with them, understand their pain and help them to surface opportunities they did not realize were possible. It will not be easy. They are focused on the sale or the purchase. Find a way. Find the time. Walk in their shoes, surface the opportunities and help them to get engaged.

✓ **Futureproof the IT Organization.** Your role is changing and that is true for many in the technology organization. Some disciplines have been commoditized, while others are emerging. Are we ready for the evolution of consumer expectations, a mobile workforce, cloud services, Software Defined Networks, Open APIs, the Internet of Things and more? How do we adapt? Are we creating development opportunities? Retooling our skills? Do we have the right talent? The right partners? You cannot be the expert in everything, but we may need experts in everything. Get ahead of the curve so we can jump on opportunities when they surface.



✓ **Bring the Board Along.** I need you as my partner here. I have leaned on the CFO in the past as the Board has traditionally been focused on financial results. The same with those responsible for revenue targets. Increasingly, I will be asking you to share our technology vision, our innovation roadmaps and of course our cyber security posture. This means you will increasingly be selling the future rather than reporting on the past. These can be incredibly complex topics for those of us in the firm who work with you every day. Imagine how complex this can be for our Board members who only meet with us four times a year. Your ability to enable understanding and enthusiasm is essential. Without the Board's understanding and support, our ability to innovate will be derailed.



Conclusion

Some of you reading this will find the CEO's expectations articulated above to be intimidating, and perhaps beyond reason. However, let us restate the questions posed in the very first paragraph and see where your firm stands. Can my CIO drive the innovation we need? Is my leadership team engaged? Do we have a vision and the innovation roadmaps to get us there? Do we have the talent to execute? The right partners? The right products? Commitment and passion?

As a Chief Executive Officer, if the answer is yes for most if not all of the questions, congratulations, your CIO is likely delivering tremendous value to the firm. If not, like our imaginary CEO of ABC Real Estate, engage your CIO, crystalize your expectations and set the stage for a great partnership. As a Chief Information Officer, does this sound like your role today? If so, congratulations, you are ahead of the curve and likely delivering transformational results. If not, we suggest now is the time to consider the opportunity cost, both as an individual and for your company, of maintaining the status quo.

About Us



Pixces Consulting Group is a professional services organization with proven, C-Suite professionals who are available to support your business and its overall objectives. Should this White Paper resonate with you and you'd like to discuss it further, the authors can be reached at bob.rosecrans@pixces.com or michael.koval@pixces.com.

Author's Biography: Bob Rosecrans



Bob Rosecrans is a senior Partner with the Pixces Consulting Group. Bob has C level industry experience in Insurance, HealthCare, High Stakes Testing and Assessments, Associations, membership organizations and non-profits.

Before joining Pixces in 2015, Bob was the Chief Information Officer and Chief Security Officer for the Graduate Management Admission Council (GMAC), an international non-profit organization of business schools that provides products and services to academic institutions and prospective graduate management education students, including the widely used Graduate Management Admission Test (GMAT).

Prior to joining GMAC in 2007, Bob was the Chief Information Officer and Chief Security Official for the Blue Cross Blue Shield Association, a national federation of 36 independent, community-based and locally operated Blue Cross and Blue Shield companies. Bob was responsible for the technology serving the Association in Chicago, Washington D.C and New York as well as all national technology, both commercial and federal, which integrated the independent Blue Cross and Blue Shield companies for collaborative health care transaction processing.

Bob has earned an MBA from Loyola University Maryland and Bachelor of Arts degrees in both Business Administration and Economics from Pfeiffer University in North Carolina.

Author's Biography: Michael Koval



Michael Koval is a Senior Partner of the Pixces Consulting Group and serves on its Board of Directors.

Before founding the Pixces Consulting Group in 2006, Michael was the Chief Information Officer for Long & Foster Real Estate, responsible for all technology, business solutions, IT governance, security and online systems. Michael is a recognized leader in the Real Estate industry and sat on numerous boards including Zillow, Trulia, National Association of Realtors Security & Policy Group, LeadingRE and Realty Alliance. Through his leadership and technology innovation, Long & Foster grew to support over 20,000 users across the Mid-Atlantic area.

Prior to joining Long & Foster, Michael was a Senior Manager and Practice Leader with KPMG, LLP (BearingPoint) in their Global Consulting Practice. Michael provided management consultancy and advisory services to clients such as British Aerospace, Marakon Associates, Impath, SIPC, Hershey, Lowes Home Improvement, WebMD, Heckler & Koch, NetJets, TIGI, American Association of Anesthesiologists, Federal Reserve, NASDAQ, NYSE, Micrografx, Vulcan, Revlon Cosmetics, Lehigh Portland Cement, Williams Scotsman, WRIT, City of New York Housing Authority, American Petroleum Institute, National Association of Realtors, AFL-CIO, NCQA and Sunrise Living.

Michael earned an MS from Johns Hopkins University in Information Technology and a Bachelor of Science degree in Finance from the University of Maryland at College Park.



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