



## **Ivey Client Consulting Project – Rock Advisors Inc.**

Team 33

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# **1. Scope**

# **1. Recommendations**

# **2. Risks & Contingencies**

# **1. Q&A**

## Broad Recommendation:

Rock needs to educate brokers about co-brokerage in order to become the co-brokerage specialist.

### Less-Experienced Brokers

Less-experienced brokers who are new entrants in the apartment market were the most receptive to the idea of co-brokering.

- ☐ Young
- ☐ Limited experience
- ☐ Require knowledge & expertise to compete
- ☐ Value teamwork
- ☐ Willing to share information
- ☐ Value having a support system
- ☐ Drawn to Rock's **database**
- ☐ Drawn to Rock's **reputation**
- ☐ Drawn to Rock's **network**

### Experienced Brokers

- Experienced brokers are confident in their own reputation and their ability to complete their deals
- Experienced brokers do not believe that having a team is beneficial
- Experienced brokers also have their own internal databases
- Efforts to focus communication towards this segment would provide Rock with little return

Primary data analysis reveals divergent attitudes towards co-brokering

After speaking to **over 30 brokers and sales representatives** throughout the year, we found the key drivers of a lack of trust between brokers were:

- Previously failed co-brokered transactions
- Fear of betrayal by the other broker (stealing the client)
- Hesitation in believing the other broker's informational advantage

Summary of Broker Responses

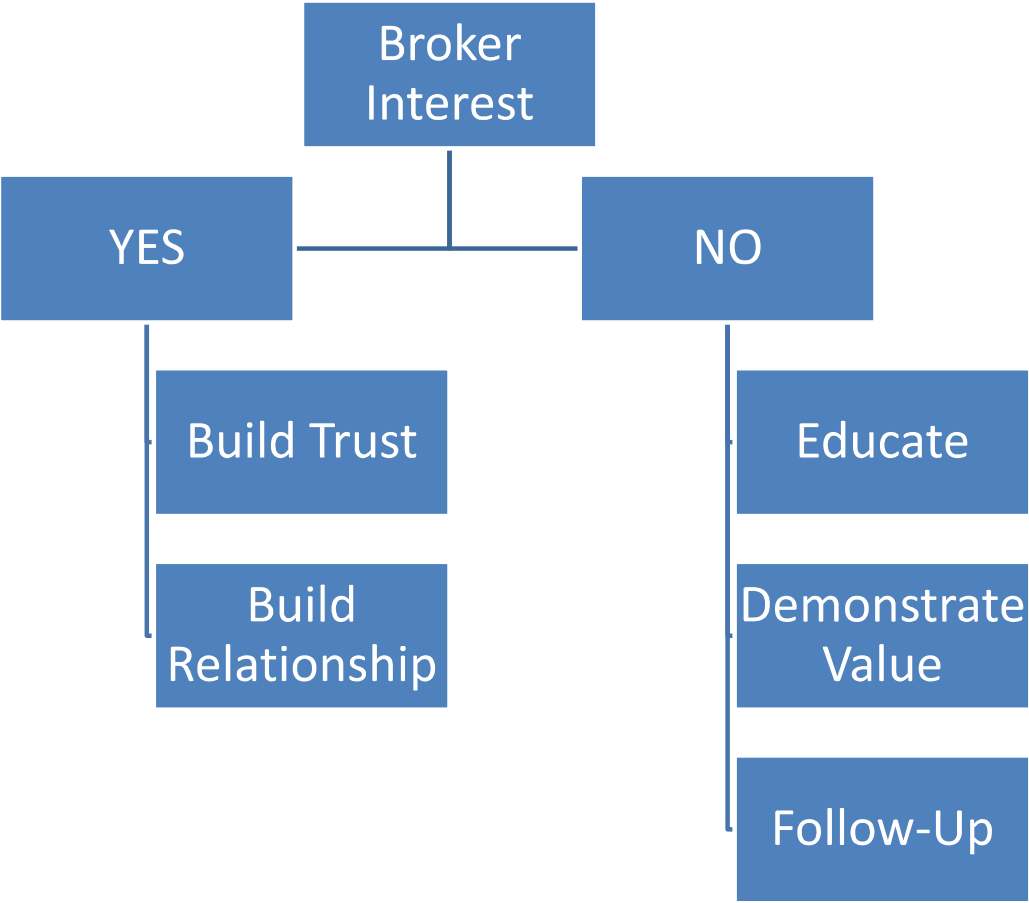
	Urban Brokers	Rural Brokers
Experienced Brokers (older, widespread reputation and track record)	Apathetic or uninterested in co-brokerage.	Saw no need for co-brokerage as they already had the relationships needed to complete deals.
Newer Brokers (younger, less of a well-known reputation or established track record)	Interested in co-brokerage and saw it as a way to get ahead of competitors	No Brokers Surveyed

**To help brokers professionally manage apartment transaction sales by offering Rock's expertise in the area and other benefits.**

### **Rock's Value-Add:**

- Reduce risks
- Improve client service
- Enhance reputation for the broker among prospective clients
- Save money on marketing, hiring and training, managing and paying staff

Option for Rock to Achieve Co-Brokerage Relationships





- 1 Rock needs to be seen as trustworthy to work with;
- 2 Brokers need to believe that Rock aims to build long-term relationships; and
- 3 Brokers need to be convinced that Rock brings expertise and knowledge as a co-brokerage specialist.

1

1. **Rock as a Team** – Social media & printed material
2. **Testimonials** – Past successes & broker and client endorsement
3. **Rock Report Digests** – Less overwhelming

## Survey Quotes

“If I’m going to partner with a co-broker, I want to ensure they’re *reliable* and *reputable*. I will *bring value* to the table but I want to have faith in who I’m partnering with.”

“*YouTube* is a great way of demonstrating trustworthiness and starting a relationship with me. It shows so much of who you are by the way you speak and your *demeanour*.”

“I have a high reputation and I want to make sure the co-broker has *high integrity* too. I need to make sure the other person has same record and *reputation* as I do.”

2

1. Hold educational networking events (symposiums, lunch-and-learn for brokers outside GTA)
2. Hire a Business Development Agent
3. Implement a Gradient Service Plan

## Gradient Service Plan

Service Provided by Rock	% of Shared Commission
Touring Property	5%
Interim Client Reporting (exposure reports, etc.)	10%
Marketing Materials	20%
Property Valuation	25%
Mail-out marketing	25%
Online Data Room hosting	30%
Use of Rock's Database for marketing	35%

“If people don't know you then you have to *prove yourself*.”

“To get to know a co-broker, I would want to go to [a] networking meeting or event, such as *a lunch-and-learn* or a *seminar*.”

1. Scope

2. Recommendations

3. Risks

4. Q&A

3

1. Teach Ontario Real Estate Association (OREA) classes across Southern Ontario
1. Establish a public mini-database
2. Develop articles for consumer publications

## Public Mini Database

The screenshot shows the ROCK ADVISORS INC. website. A 'Public Mini Database' search form is overlaid on the page. The form has a 'Search' tab and a 'CLOSE' button. It contains the following fields: BUYER, SELLER, AGENT, NO. OF UNITS, ADDRESS, CITY (dropdown), PROVINCE (dropdown), and PRICE. The background shows the website's header with the ROCK ADVISORS INC. logo, navigation links (CITIES, MID MARKET, RESEARCH SERVICES, MEDIA / SYMPOSIA, OUR COMPANY), and a 'Current Listings' section.

“The hurdle with *co-brokering* is trusting that the other broker has the same *quality of service* as you do, because if he didn't, that would reflect poorly on you.”

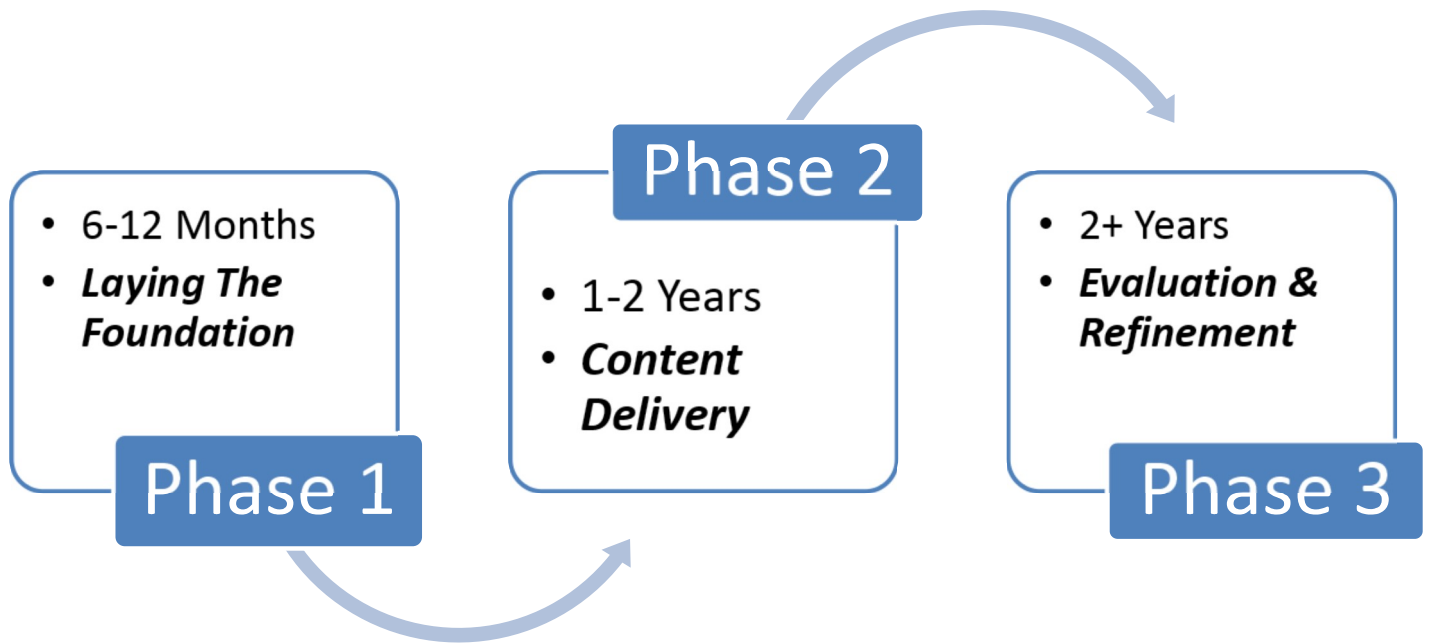
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It is recommended that Rock executes a three-phase action plan: a short-term, mid-term and long-term strategy.



# Implementation Plan

1

## Laying The Foundation



### Phase 1

- Improve current social media and database platforms
- Redefine brand perception of the firm
- Gather research for future publications
- Organize Symposiums

2

## Content Delivery



### Phase 2

- Create Rock Report Digests
- Teach OREA classes
- Hire a Business Development Agent
- Submit original content to consumer publications
- Implement a Gradient Service Plan

3

## Evaluation & Refinement



### Phase 3

- Gather market feedback from Business Development Agent
- Evaluate success of Phase 2 strategies
- Eliminate ineffective tactics
- Further develop effective tactics

1. Scope

2. Recommendations

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1

## Laying The Foundation



### Phase 1

- Improve current social media and database platforms
- Redefine brand perception of the firm
- Gather research for future publications
- Organize Symposiums

## Key Outcomes

- Phase 1 will revise all current marketing tools to prepare for Phase 2
  - New content will be gathered and developed
- Stronger social media presence to showcase the entire Rock team
- Enforce reputation as a talented group of professionals
- Increase credibility in the market
- Launch of “Co-Broker Specialized” Strategy
  - Knowledge Creation
  - Concept Educators

1. Scope

2. Recommendations

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2

## Content Delivery



### Phase 2

- Create Rock Report Digests
- Teach OREA classes
- Hire a Business Development Agent
- Submit original content to consumer publications
- Implement a Gradient Service Plan

## Key Outcomes

- In Phase 2 Rock will launch its medium-term communication strategies
  - Develop reputation as educators
  - Trial period before long-term strategy commitment
  - Deliver content from Phase 1
- Engage and build relationships with new generation of brokers
- Direct personal communication with existing brokers
- Trial-based services for prospective co-brokers

1. Scope

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### Evaluation & Refinement



#### Phase 3

- Gather market feedback from Business Development Agent
- Evaluate success of Phase 2 strategies
- Eliminate ineffective tactics
- Further develop effective tactics

### Key Outcomes

- Phase 3 will review effectiveness of short-term and mid-term strategies
- Greater understanding of the market
- Streamline long-term marketing strategies
- Determine critical next steps for the long-term

1. Scope

2. Recommendations

3. Risks

4. Q&A

1

### Offerings Are Poorly Received

- **Solution:** Focus on approaching smaller markets & avoiding regions with frequent commercial transactions

2

### Inaccurate Database Information

- **Solution:** Rock needs to ensure that the information it publishes, as well as the data available through the public mini database, is properly verified in order to avoid this risk

3

### A Co-Brokered Deal Goes Wrong

- **Solution:** Rock must commit all verbal agreements into written contract form

4

### Database is Duplicated & Competitive Advantage is Lost

- **Solution:** All marketing initiatives should utilize the database as a means of establishing a partnership and should minimize the amount of information available.



## Question and Answer Period

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## Exhibit 1: Alternatives & Contingencies

If in 2 years Rock finds marketing initiatives to be unsuccessful, it should consider the alternatives outlined below.

1

### Traditional Mail-Out Correspondence

- Rock has used direct mail as a marketing tactic in the past, and can continue this strategy to target a greater audience
- More cost effective than hiring a Business Development Agent
- However, is an inefficient means of acquiring co-brokerage business because Rock will rely upon a broker's initiative to contact Rock

2

### American Transactions

- Co-brokering apartment transactions is more accepted in the United States and Rock's database is better suited for this market
- Cross-regional nature caters well to the co-brokerage model due to the importance of geographic expertise

3

### Status Quo

- Rock can choose not to actively pursue co-brokerage initiatives and focus on growing its individual practice
- As a specialized brokerage, Rock can continue to build its other core strengths in order to achieve success in the apartment industry
- Focusing on existing relationships by establishing Rock's current network of brokers willing to co-broker

1. Scope

2. Hurdles

3. Recommendations

4. Risks

5. Q&A

