

Prudential Georgia Realty: Leading and Innovating in Metro Atlanta Real Estate

By Stephanie Andre



Dan Forsman is excited about the future. You can feel it as he talks about his company—Prudential Georgia Realty—and what’s coming. A CPA by trade, Forsman understands why it’s so important to allocate his dollars in the right direction...and so far, he hasn’t missed a beat. A staunch proponent of innovations in marketing and technology, Forsman is leading the way in the Atlanta market, arming his agents with the right tools for the local markets. Here, the President and CEO talks about his beginnings and how the lessons he learned have made him the successful broker he is today.

Stephanie Andre: How did your career begin and how did you get started at Prudential Georgia Realty?

Dan Forsman: I started my college experience at the University of Nebraska. I had not yet declared a major and was struggling to decide what I wanted to do with my life. So I decided to make a move and seek some answers. I jumped on a Greyhound bus from Lincoln (Nebraska) to Darien, Georgia, and became a shrimp boat Captain for two years. That experience helped me mature and gave me many “real life perspectives” that still serve me well today. After that, I enrolled at the University of Georgia in Athens. I decided to major in accounting and discovered that I was really good with numbers and business concepts. I later got an internship with Ernst & Whitney in Virginia. I sought that out because my brother was paralyzed and was at Woodrow Wilson Rehabilitation Center. I wanted to be closer to him.

I passed the CPA exam the first time and went to work at KPMG in banking and real estate. In the beginning, I did consolidation and acquisition work. But as time went on, I was traveling 80% of the time and now had a family. I wanted something better. I found a Merrill Lynch brokerage in Atlanta that had 180 agents and needed a controller. A few years later, the company changed over to Prudential. During that time, I had an opportunity to become the relocation director. That turned out to be a fascinating experience that taught me a lot about real estate. From there, I took what we did with corporate listings and applied it to the REO world. After four months, we hit pay dirt. We had 586 listings and sold all of them while I was still running the relocation and corporate services business.

Eventually, the company reorganized again and I was promoted to executive vice president. Our founder, Ed Erbesfield, presented me with an opportunity to become one of the owners of the company. It took my life savings at that time but I knew that this was my destiny. In 1999, Ed decided to retire. I acquired his interest in the business and became the President and CEO.

SA: What did your experience teach you about leading the company?

DF: My relocation experience taught me that you can be a good leader, but you have to have great people around you to win. You have to find people who can be exceptional and you have to provide an environment that allows them to blossom and grow. That's an important part of the formula for success.

But you must also have a business model that works. I am a strong believer that you must start with the consumer. We work very hard to offer an agent business model that produces the highest profit from delivering the best consumer value proposition. The combination of brand & financial strength from Prudential and the flexibility to offer local services that are customized to our markets give us a powerful edge.

We've learned that you need to diversify your markets and revenue sources. We already have mortgage, title, home warranty, property management, new homes and commercial. In 2011, we plan to grow into a range of other complementary revenue streams. We also participate across a variety of market segments from luxury homes to first-time buyers to condos to short sales & foreclosures.

SA: *How has your company performed in your local market in Metro Atlanta and North Georgia?*

DF: We are now number one in market share in our market...but that took time. There's no silver bullet to success. You have to be committed. We focused three years ago on becoming the number one listing company in our market and we've now accomplished that. We have 25-30% more inventory than our closest competition.

SA: *What did you do to get the company to where it is today?*

DF: It's not just one thing. There are a lot of things working together. First, we invested in an advanced infrastructure of marketing, technology, training and coaching that helps our agents provide the highest level of value to their clients. We chose to develop a high-value services model because most consumers want and need these types of advanced services today. Building a real estate business based upon delivering great value and backing it with the exceptional service from our agents has served us well.

Next, our award-winning corporate relocation team has been instrumental in helping become the number one company in bringing buyers to our market. Our team was recently recognized by Prudential Real Estate & Relocation Services and SIRVA with national "spirit of partnership" awards for our excellence in this area. Our SVP of Relocation and Corporate Services, Kathy Connelly, and her team do a marvelous job and have landed a number of large group moves that has benefited our agents.

We also created our Advanced Property Marketing System, which is a very innovative methodology that leverages best practices from real estate, plus best practices from the business world. We looked at real estate and asked ourselves questions like:

- If you were a product marketer from companies like Coca-Cola or Proctor & Gamble, how would you market a real estate property?
- If you were a consultant from companies like McKinsey or Accenture, how would you market real estate and implement processes to measure and optimize?

- If you were a Six Sigma black belt, how would you design the processes, measurements and continuous improvements?
- If you were a top sales & marketing company, how would you leverage "competitive traps," "negotiating techniques" and sales positioning techniques to win more and sell more listings?

One of the cornerstones of the APMS is an emphasis on visual marketing. Our agents use the latest techniques in high-quality photography, narrated videos, full screen HD slideshows and digital magazines to bring the story of their property to life online. As more of our agents are becoming proficient with this advanced methodology, our value to our clients is simply getting better and better. New agents have been drawn to our company as they see our agents gaining a competitive edge.

We have implemented an extensive online marketing program which includes listing syndication, SEO and the latest techniques in banner ad targeting and social media marketing. Our listing syndication may be the best in the nation. We distribute listings to thousands of real estate websites across the world. Our listings have the highest priority and really stand out. Hitwise recently ranked our website as one of the fastest-growing real estate websites in the nation. Our SEO efforts are focused on regional terms like Atlanta real estate where we rank in the top spots for Google. All our listings have YouTube videos automatically created with thousands of links back to our websites. Realtor.com recognized our company as the first large brokerage in the nation to receive their Online Marketing Award of Excellence.

We focus all the time on lead-generating activities. We have a variety of coaching and accountability programs. We constantly produce localized market information, statistics and insight that agents can easily share with their clients.

And perhaps, most importantly, our company is blessed with some incredible leadership in our managing brokers, branch staff and senior staff. As an example, we were fortunate enough to hire Tony Floyd three years ago as a Senior Vice President to lead our marketing, technology and training efforts. He comes from outside the industry with a wealth of expertise in strategy and innovation that is uncommon in our industry.

SA: How has your company dealt with the high number of foreclosures and short sales in your market?

DF: Well, bank-owned properties and short sales now represent approximately 60% of the total transactions in our market. We saw this coming a couple of years ago and knew we needed to move quickly.

We found that many of the banks would tell their listing agents to not label their listings in the MLS as a foreclosure. Therefore, the search tools that show foreclosures from the MLS services only show a small portion of the actual market. We worked with our website provider to develop a consumer search with a custom data feed, powered by RealtyTrac. That allows consumers to see pre-foreclosures, auction properties and bank-owned properties using our Google maps. They can easily see where they are and contact

our agents for help with details. All our branches have access to RealtyTrac to look up the details. We further supplemented these tools with extensive training for our agents to become certified experts in foreclosures.

Also, we carefully track the trends and saw in the summer of 2009 that short sales were starting to grow. Again, there were no usable search tools from the MLS services. So we worked with our providers to create a custom short sale search. Today, we are still the only large brokerage that offers this type of search. Again, we supported this with extensive training and certification. We also worked with another local startup company to help develop a foreclosure trend report that could show the trends for pre-foreclosures, foreclosures and bank-owned sales around a specific property. The unique solutions give our agents a big advantage.

SA: What is your company doing to help your agents in this tougher market?

DF: This business is getting more and more complex for agents. We created a team called PGR Labs that evaluates all the new marketing and technology options and continues to build our services with the ones that work and produce the most value. They work to “integrate” our solutions so they work together and support this with our training from PGR University. Finally, they purchase these solutions in scale and package them at lower costs. Our standard marketing and technology solutions would cost other agents over \$15,000 per year if they had to purchase themselves.

We also know that agents were increasingly spending time dealing with marketing and technology. It was not an efficient use of time for many. Agents make the most money by focusing on lead generation, marketing, selling and servicing their clients. We created PGR Advanced Agent Marketing Services to help them with complex services. For example, we build beautiful websites. They have great branding, have relevant content for each agent's market, include “calls to action” to generate interaction from consumers and can be built for SEO to be found in Google searches. We also build all kinds of custom marketing solutions depending upon the agent strategy and business model.

Most recently, we added PGR Studios to create high-quality audio and video marketing solutions for agents. These videos are quickly becoming very popular with our agents as they see the power of video for their marketing.

We implemented a custom platform from AnnounceMyMove.com two years ago. This allows us to create content from our marketing team to easily share with each agent. It is fully branded to each agent because it is integrated to our websites for contact information, agent photos, etc. The agent simply receives the message and forwards the email or links to a social network. This simple platform has allowed hundreds of agents to market to their prospects who would not have used a more complex e-campaign solution.

We were the first in the nation to implement an automated image management platform from VHT. Our agents can load high res photos directly to our platform. It automatically resizes them to the perfect size for both our MLS services. Then, we automatically create

a full screen HD slideshow that is added to our website listing detail pages. We create a YouTube video and photo gallery for our virtual tour players that are automatically posted to Realtor.com, our MLS services and other websites. Agents can add voice narration and build a custom narrated video for only \$20. This solution saves our agents time and gives them great visual marketing.

In September, we partnered with HomeFinder.com to host the first Race for the Home event. This innovative mobile scavenger hunt was powered by SCVNGR which is funded by Google. Over 500 prospects visited our designated open houses and the winner received \$20,000 to be used for a down payment on their dream home. Our sellers were thrilled to have an average of 80-90 qualified buyers see their properties. Our agents developed thousands of new prospect relationships. This creative event energized our market at the right time.

In 2011, we will be adding more valuable solutions including advanced social network services, delivering a host of mobile agent solutions and building more information tools and support services to help agents work smarter.

SA: Education and training seems very important to you. How are you helping your agents in this capacity?

DF: First and foremost, we help agents build a training plan so they focus on the right skills for their target market segments. We have created “training tracks” to help agents easily identify the classes they need and schedule them. Many of the classes are pre-recorded as webinars so they are available – anytime, anywhere.

We have been doing a regular series of webinars and videos to communicate directly with our agents for the past three years. This allows agents to hear directly from me and other subject matter experts on a regular basis. These are often hosted at branch sales meetings and supported with discussions and scripting. We leverage social media like our blog (ATLScoop.com), Facebook page (Facebook.com/PrudentialGeorgiaRealty), Twitter (@atlscoop), YouTube and our local real estate video channel AtlantaRealEstateChannel.com.

I also believe it’s important to get that face-to-face time with our agents, so I get out to our branches and do some agent training myself. In addition to me, our training and coaching teams do a branch road show every quarter to deliver the latest market insight, training and scripts. This summer, we held our Visual Marketing Tour which highlighted the opportunity to leverage rich media in marketing and prospecting. In October and November, we launched Game Plan 2011 which includes our Advanced Agent Business System, marketing best practices and scripts for the holiday season.

We also believe that our membership in RISMedia’s Real Estate Information Network® (RREIN) is going to be great for our agents. Not only do they receive daily information about the market and improving their business, but they also can have consumer information sent out on their behalf each month.

SA: *What are your plans for continuing to grow the company?*

DF: We've grown our company organically and we will continue to do that. Of course, we are always interested in consolidation opportunities that benefit both parties. Our high-value strategy is attractive to the best agents. The scale of a larger enterprise allows us to implement infrastructure and services that are not possible for smaller companies. We will keep improving our consumer value and our agent business model to support our strategy. We will expand our portfolio of complementary Home Benefits to make it simpler and cheaper for consumers. We will enable the mobile agent to work successfully with the right tools and support. We will help our agents build the skills that are worth paying for – now and in the future.

The real estate market is changing faster and that presents a great opportunity for us. At the same time, we recognize that it is very hard for many agents when doing business is harder than it was in past years. We have to help them stay positive and keep their focus on the exciting opportunity ahead. We need to be ready for potential challenges from changes in regulations, new competitors, changing demographics, consolidation opportunities and more. We expect the internet to continue disrupting our industry. The Internet will not replace Realtors, but those who use it effectively will replace those who don't.

For more information, please visit www.DanForsman.com or www.PrudentialGA.com.