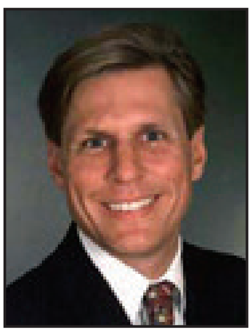
Using CRM/Contact Management to Build Your Business



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By James M. Brown, CCIM, SIOR

How many times have we heard "our business is about relationships?" More than ever we need to manage an increasing number of relationships, more than we can handle just inside our heads. That's where CRM (Client Relationship Management) comes in. Most of us are using some sort of contact management software such as Microsoft Outlook or Palm Desktop, or more sophisticated CRM software such as ACT!, Goldmine, SalesForce.com, REA, RE Apps, or RealHound (the last three being designed especially for commercial real estate).

CRM/Contact Management software is the core software application in our company, as vital as e-mail, word processing, and spreadsheet software.

More than an Electronic Rolodex

Contact Management and CRM in their simplest form are electronic Rolodex's. Even this function is incredibly useful—you have phone numbers and e-mail addresses at your fingertips. Hopefully you are using at least this functionality.

An electronic Rolodex is just the beginning! Let's look at some of the functions we use at Hawaii Commercial Real Estate, LLC. We use ACT!, the best known of the contact managers for sales organizations. Most of what we do can be done with any basic contact manager such as MS Outlook, so this article applies to the software used by you and your organization.

Organizing Thousands of Contacts

We have a required field (can't be left blank) in our database called "ID/Status" to categorize each contact. Every contact in our database falls into at least one of the following categories:

- Real Estate Brokers – Local
- Real Estate Brokers – Non-Local
- Media Contacts

- Personal
- Property Buyers
- Property Owners
- Tenants
- Vendors

Before our database will accept a new contact, the user must assign the contact to one or more of the categories. This categorization serves two purposes:

1. It forces us to ask the question "what is my relationship with this person?"
2. It allows us to look up groups of people for communications.

For example, we are the leasing agent for a large office complex in Honolulu, and we send a weekly e-mail listing our current vacancies and pricing to the local brokers in our market. If a new agent joins a firm and his/her contact information is added by someone in our office, they select "Real Estate Brokers – Local" and that contact automatically receives our e-mails. When sending out the e-mail, we simply select "Brokers-Local."

ACT! also has a concept called Groups, which allows further grouping and sub-grouping. We use this feature to divide, for example, Property Buyers into Office Buyers, Retail Buyers, Industrial Buyers, and Hotel Buyers. A contact can be a member of multiple groups, so for example, a contact can be a Property Buyer, an Office Buyer, and an Industrial Buyer. This grouping allows us to quickly generate prospect lists for new listings.

We use these grouping features with our various postcard mailer campaigns. For example, we send periodic mailers to tenants touting our tenant rep skills. In this example, we don't want these postcards sent to Property Owners or Real Estate Brokers, so we select the group "Tenants."

Tracking Lease Expirations and Tenant Sizes

We have a field called "Lease Expiration" and a field called "Leased SF." We have accumulated several thousand lease expirations from various sources, and the benefits are obvious—we have a constant stream of leads to call on.

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In our market, one of the largest areas of missed opportunities is lease renewal business. To address this, every time we complete a transaction we update the contact's lease expiration and leased square feet, and setup reminders to contact the client. The client gets annual postcards thanking them for their business and reminding them that we were their agent. At a pre-determined number of months before their lease expiration (usually 12 to 24 months), an agent gets a reminder to call on the client.

What Property Do They Own?

We have a field called "Owned Real Estate." If a contact is a "Property Owner" the property or properties owned are listed in this field. When we are on the phone with a prospect, we can have a quick idea of what they own, or if we want to know who owns a particular property we can identify the owner.

Tracking Key Relationship Building Information

The more we know about a prospect, the easier it will be to build the relationship. We have three fields in our database, "Spouse," "Children," and "Interests." These fields allow us to remember and strike up a trust-building phone conversation with our relationships. And if you have this data synced to your PDA or phone, you can quickly recall the name of your prospect's spouse and children at a cocktail party.

How Does Your Sales Pipeline Look?

ACT! and most CRM programs have a feature called Sales Opportunities. Sales Opportunities are electronic 3"x5" cards attached to a contact that describe a deal in process (Company name; type of deal—lease, investment; size and optionally commission potential). We use these Sales Opportunities in several ways:

1. They are a master "to-do" list for each agent. An agent can simply click on the sales opportunity button and quickly know the current focus.
2. We print out and list all the sales opportunities on a board which helps with team building and provides some friendly internal competition.
3. Management can get a good idea of the company's pipeline.

Sales Opportunities have given us a better understanding of deal cycle times and other elements that are especially useful to newer agents.

Tracking Listing Activity

When we take a listing, we create a group for that listing. Each activity associated with that listing, such as showings, call-ins, or calls-made, is attached to the listing group. Then, when it is time to generate an activity report for the owner, we can either print straight from the database or use the database to create a custom report.

Whose Client Is It?

Everyone in our office uses a common, multi-user database. This leverages our collective relationships and truly makes us work as a team. Operating separate databases is not only inefficient, but I guarantee it is costing you business. A single database helps to keep agents from stepping on each other's toes. If one agent has a serious relationship with a client, that will be reflected in the notes and histories of that client. When another agent stumbles across that contact, he or she will know that unless they bring added value to the relationship, they won't be wasting time with another agent's client.

New agents can get up to speed more quickly with a single database. All the broker contacts are already at their fingertips, and we have assistants constantly populating the database with tenants and property owners, which give our new agents call lists.

How Are You Leveraging this Technology?

We have just scratched the surface of Contact Management/CRM in this article. How are you using this technology to build and nurture your relationships? Are you staying in contact with your past clients and following up with them at the right time?

Contact Management/CRM is at the core of our business, and we plan on writing future article(s), so let us know how you and your company are using these tools.