

Reinventing the wheel — The RE/ MAX Revolution

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A familiar story

This may sound like a familiar story... You enter the profession with high hopes, perhaps a nugget of knowledge and a determined lust for success " and maybe a smug belief that you're not like the four out of five who toss it all in after an average 14 months. Sure, you've heard the horror stories, read the statistics and toughened your hide. But you're different...your career path is firmly set on an upward trajectory.

Regardless of an operation's size, most real estate offices use the commission"split system, requiring sales professionals to forfeit half of their commissions to their principals in exchange for an office environment and company services. The top producers contribute the most to the operation's overhead, thus supporting the amateur, part"time and low"producing agents. Soon the reality of realty sets in. On the job six, sometimes seven days a week working hard... then even harder. Maybe it's time you thought about working smarter.

Back in 1973, Dave Liniger decided that this story needed a happier, more rewarding ending. Liniger himself was a disillusioned agent. He considered there had to be a better way to make a living from real estate so he looked at creating a new concept, a fairer system for hardworking, topline agents.

A system which promoted a transition away from the 50/50 commission split, allowing agents to keep a majority portion of commission as they honed their professional skills through extensive training and business development. To attract and retain the best agents in the business, Liniger believed brokers must offer them maximum compensation, advanced support services and the freedom they need to succeed. Agents would share office overhead and pay management fees, and in return would receive a wide variety of traditional real estate franchise services and high commissions.

Liniger recognised the immense value of an agent's personal profile and, with wife Gail, launched RE/ MAX (derived from Real Estate + Maximums), focusing on encouraging agents to promote themselves and their own direct contact details, rather than forcing them to advertise the agency and follow the traditional generic office line.

The RE/ MAX success story is now one of global proportions, with over 7,000 offices and more than 140,000 sales associates. On average, RE/ MAX adds at least one new office to its international network each day and around 10,000 agents each year. RE/ MAX operates worldwide with offices in over 65 countries, including Australia, New Zealand, United States of America, Canada, Africa, Europe, United Kingdom, Middle East, Central America, Caribbean, Asia and the Pacific.

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Some of the innovative services created by RE/ MAX International to help its members become ever more professional and successful include commercial investment, an international referral

network, advanced training courses, state-of-the-art technological tools, internet and extranet web sites, and national television advertising campaigns. It was the first " and remains the only " real estate network to invent and maintain a satellite television network RE/ MAX Satellite Network offering four hours of programming four days per week solely dedicated to real estate professionals.

RE/ MAX compiles knowledge from their most successful agents and the industry's leading trainers and consolidates it at the RE/ MAX Global Education Center in Denver. RE/ MAX University (R U) delivers this knowledge to Affiliates via DVDs, satellite television broadcasts, classroom training, online streaming video and audio, downloads, podcasts, conferences, and seminars.

Agent and Management training on demand and 60 hours of new material is available every month as part of R U. The international headquarters of RE/ MAX includes a full floor of television studios to produce the content. There's no doubting that the RE/ MAX corporation is impressive. A glance at the website offers a mountain of positive, inspirational information from reasons why you should join RE/ MAX to uplifting features about their involvement with charities such as Camp Quality here in Australia and many others around the globe.

However, it's the people in real estate who matter in the end. So what is it that makes RE/ MAX Above The Crowd, as so aptly symbolized by their immediately identifiable corporate logo, the red, white and blue hot air balloon?

Nicholas Thiele, Regional Director of RE/ MAX Australia uses an analogy which compares RE/ MAX to the Australian Cricket team. Here is a team of professionals, each one a dominant individual with highly developed and unique talents. They are stars in their own right but as part of a team, they are a formidable force, says Nick. If your dream is to be one of the best, you have to aspire to be on the best team.

Although only recently promoted to Regional Director, Thiele is not a newcomer to the industry. His real estate history includes positions as a real estate agent, development and delivery of training programs, franchise support and business development. His experiences at RE/ MAX and his previous association with companies like Century 21, Concept Real Estate and Ray White have honed his expertise in recruitment training, performance management, profitability and structure, operations and leadership. He has developed and conducted more than 450 seminars and training sessions and worked with over 600 offices and principals.

Our primary aim is to educate the Australian market as a whole, declares Nick. We want salespeople to recognise their worth by offering them the opportunity to be everything they want to be in an environment that encourages and supports top performers. We want people who want more from their career " success-driven, business minded people desiring to be true professionals.

RE/ MAX owner brokers and sales associates have full access to all the features of the RE/ MAX International toolbox, including online education featuring the latest technologies, marketing innovations, sales strategies and business systems. At present, there's a healthy fledgling fleet of Australian RE/ MAX franchises but with the experienced Thiele at the helm, this is sure to grow to an impressive stable. Of course, we also want to be able to educate the buyers and sellers in the market, adds Nick. It's important that they know that the sales associate who's knocking on their front door is a licensed, trained professional who wants to offer a client the best services and marketing options. We feel we have a responsibility to the greater public to ensure they have confidence in their broker... RE/ MAX has that reputation and respect.

But what makes Nick Thiele consider RE/ MAX is suited to the Australian market? I really believe that worldwide, markets are not intrinsically different, he states. Geographically, sure. But we are evolving and adapting to Australian market conditions and attitudes " and who better to identify those needs than the people who work these territories every day? Despite our origins, we are not an American company, we are truly international.

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Last September, more than 400 agents from across Queensland gathered at the Brisbane Convention and Exhibition Centre to hear from some of the industry's foremost speakers at RE/ MAX Australia's 2007 Sales Rally, which this year featured Victorian real estate guru James Tostevin, internationally renowned mind and language trainer Terry Hawkins and real estate marketing expert Scott Gibbons. The Queensland Sales Rally is just one of many initiatives which RE/ MAX Australia provides to foster its members' professional development.

RE/ MAX often uses the phrase 'Outstanding agents, outstanding results' and it's very important to us that this isn't merely a slogan, but is a true reflection of our organisation's ethos, said Nick. Every year we provide our members with dozens of opportunities to attend training, hear from industry experts and access world leading education via our international online training services; all in the name of building better real estate professionals.

Because real estate is so dynamic and requires an ever increasing level of customer service as well as knowledge of new technologies and other rapidly evolving developments, ongoing personal development is absolutely essential if you want to stay in the game, he said.

If each of our agents leave an event like the sales rally and implement just one new idea into their business, that is a win for them, a win for their customers and another step towards raising the bar for the whole industry.

One of the more recent Australian RE/ MAX franchise launches was the Springfield Lakes office of Principals Michael Parker and Paula McKie. Springfield has been earmarked as a major boom area of the coming years, with plans for the creation of a 320ha CBD, a new rail line to Brisbane and duplication of the Centenary Highway at a cost of over \$1 billion by the Queensland Government.

Michael, who has previously worked as an agent with another local RE/ MAX office, said the decision to open his own business, though a long held goal, was largely driven by a desire to capitalise on the thriving Springfield market. We were servicing the area from the outside quite well, but we wanted to go in and be a true part of the community, he said. That's the difference now: we're not doing real estate, we're being real estate!

Michael said the advantage of the RE/ MAX network was that it had allowed them the freedom to place their own interpretation on what their business could become. I've been wanting to open my own office for about two years, he said. I looked at the idea when I first joined RE/ MAX, but at that stage I thought I would just do it as an independent contractor. We looked at different models, different philosophies and the way offices are done. When it came to RE/ MAX, I liked the idea that everyone gets a slice " that no one can beat me when it comes to the 92% commission I can offer agents. It means that I can be choosy with the agents that I want, which then means we can give better quality service and offer a better quality product to our clients. RE/ MAX is all about taking a system and using it " not reinventing it, but interpreting it with your own ideas and your own culture in your own area.

Nick Thiele couldn't agree more. One of our 10 Reasons for Joining RE/ MAX is we encourage professionals to be in business for yourself, not by yourself, said Nick. We give them that toolbox with the key components of a successful franchise with all the attraction of a major brand but also the freedom and flexibility to build their own teams and run their own businesses.

Other networks have to feed a large machine with a multitude of people who come and go, declares Nick. At RE/ MAX, we offer a different paradigm " one of identity development for the sales people, professional education and support.

Initially, that paradigm was challenged by other major players in the real estate industry. Dave Liniger found he had a legal fight for individual contractors to get a greater slice of the commission pie. Today, RE/ MAX franchisees can thank Dave for sticking to his belief that real estate professionals deserved more. And in an industry rife with mergers and acquisitions, RE/ MAX is the only major real estate network still owned and directed by its original founders.

Today Dave and Gail Liniger are still at the helm of RE/ MAX International. The company's expansion has been unstoppable, with recorded growth every single year for more than three decades.

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When RE/ MAX was just five years old, the company already held more market share in Denver, the network's birthplace, than any competitor. Word of mouth was spreading fast about the network of highly experienced real estate agents who were proving to be more experienced, productive and knowledgeable than anyone else on the scene. But market studies showed that among consumers in general, name recognition of RE/ MAX ranked well below many lesser competitors.

Meanwhile, in New Mexico, a few RE/ MAX agents and their regional leaders dreamed up the idea of entering a red-over-white-over blue RE/ MAX Balloon in the 1978 Albuquerque Hot Air Balloon Fiesta. The RE/ MAX ground crew wore jackets with patches that read, Above the Crowd, a phrase devised by an Affiliate. And as often is the case with hot-air balloons, the RE/ MAX Balloon really grabbed some attention. Plus, the imagery meshed perfectly with the RE/ MAX network's emphasis on innovation, freedom and leadership.

Today, with a fleet of more than 90 tricolour hot air balloons is one of the world's strongest visual forms of advertising. Besides highlighting promotional events, RE/ MAX Balloons fly at all the major " and many minor " hot-air balloon meets across North America. RE/ MAX Balloon pilots introduce school classes to ballooning, and couples ask to be married in the balloon.

The average RE/ MAX Balloon makes 65 appearances a year, each event averaging more than an hour, for a fleet total of about 6,400 hours of advertising " equal to nearly nine months of 24-hour flying. RE/ MAX expects to pass the 100-balloon fleet milestone in the near future. The network's major graphic symbol, the RE/ MAX Hot Air Balloon image appears on "for sale" signs, bus benches, billboards, in print advertising and television commercials. It is one of the most widespread and recognizable images in business marketing.

In Australia, RE/ MAX has three balloons, based in Brisbane, Melbourne and the Gold Coast. They are used at events, in promotions and in general advertising. Members of the public are able to hire our balloons for joy flights via their local operators.