

Corporate Behavior Analysts, Ltd

**Finding the Right Path:
Making Strategic Moves**

Presented at

**American Land Title Association
BUSINESS STRATEGIES CONFERENCE**

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ROGER LUBECK & CHRIS HANSON

FINDING THE RIGHT PATH

A Guide to Leading and Managing A Title Insurance Company

FINDING THE RIGHT PATH A GUIDE TO LEADING AND MANAGING A TITLE INSURANCE COMPANY



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Roger Lubeck, Ph.D. is President of CBA and has over 30 years of consulting experience in real estate services, healthcare, higher education, manufacturing, and mental health. Roger has a Ph.D. degree in Experimental Psychology from Utah State University and degrees in Behavioral Psychology from Western Michigan University. Roger has been a business consultant, workshop leader, retreat facilitator, public speaker, speech writer, assistant professor, researcher, parent trainer, and dog catcher. He is married to Lynette Chandler, a University Professor and author. Roger is the author of two published novels and a number of publications on customer service, leadership, management, marketing and sales.



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CORPORATE BEHAVIOR ANALYSTS, LTD.

www.cba1td.biz
Corporate Behavior Analysts, Ltd. (CBA) is a Chicago based consulting firm providing leadership and management development. Founded in 1997 by Chris Hanson and Roger Lubeck, CBA has worked with hundreds of independent title insurance agents, the two largest title insurance underwriters, and numerous Land Title Associations. As national speakers and experts on leading title insurance companies, Roger and Chris have consulted with companies in more than thirty states in their journey to find the right path to success.

FINDING THE RIGHT PATH

LUBECK / HANSON

FINDING THE RIGHT PATH

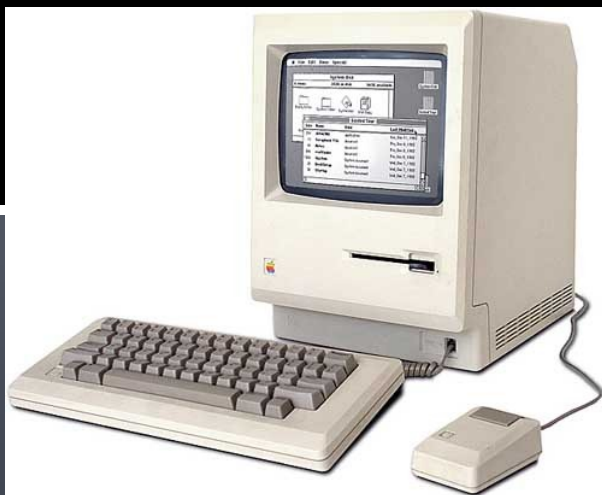
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CHRIS HANSON

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PRESS

Making Strategic Moves



Gordon Ramsey's Kitchen Nightmares

Robert Irvine's Restaurant Impossible

- In the BBC and Fox TV shows, Chef Gordon Ramsay spends a week with a failing restaurant in an attempt to revive the business.
- In the Food Network series Chef Robert Irvine has to save America's most desperate restaurants from impending failure in just two days with only \$10,000.

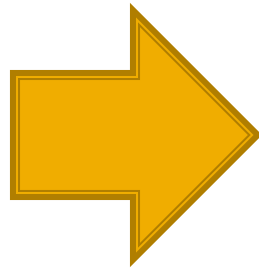


CHOICES

- **Every Owner/Leader is faced with Choices and Options:**
 - **Each turn can lead to success.**
 - **Every turn can result in failure.**
 - **After every turn there is another.**

LEADERS

- **Direct**
- **Innovate**
- **Change**

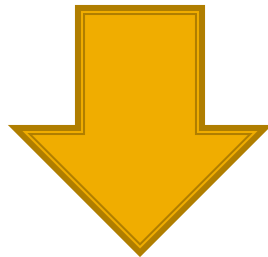


**Select
Strategy**



MANAGERS

- **Drive productivity**
- **Ensure quality**
- **Create stability**



**Implement
Strategy**



The Strategy Canvas

- Price
- Reputation
- Accuracy (claims)
- Relationships
- People (knowledge & experience)
- Locations
- Appearance
- Awareness (Marketing)
- Sales coverage
- Complexity (commercial)
- Services (reo, short sale, reit)
- Speed (turn time)
- Technology
- Other _____

WHAT IS
YOUR
FOCUS

What are you doing today?

- Revenue in 2011 _____

STRATEGY	COST	INCOME
1		
2		
3		
4		
5		
6		
7		

What are you going to do?

- What changes are you planning?

- 1.

- 2.

- 3.

- 4.

- 5.



Strategy

Traditional vs. Blue Ocean

Selecting Strategies



Blue Ocean Strategy



- Based on Blue Ocean Strategy (2005)
 - by W. Chan Kim & Renee Mauborgne
- Value Innovation vs. Differentiation
- According to the authors, past models for identifying successful companies were wrong

BLUE OCEAN



- An market (environment) free of competitors.
 - A place with new or untapped customers.
 - Where your product is innovative and has few competitors
 - Where your price / value strategy to sell is free of competing strategies



Red Ocean Strategies

- Competition based strategies
 - Lowest priceor
 - People (Value / Cost tradeoff)
 - Features (Value / Cost tradeoff)
 - Service (Value / Cost tradeoff)
 - Sales (Value / Cost tradeoff)





Circus vs. Cirque



RED OCEAN

BLUE OCEAN



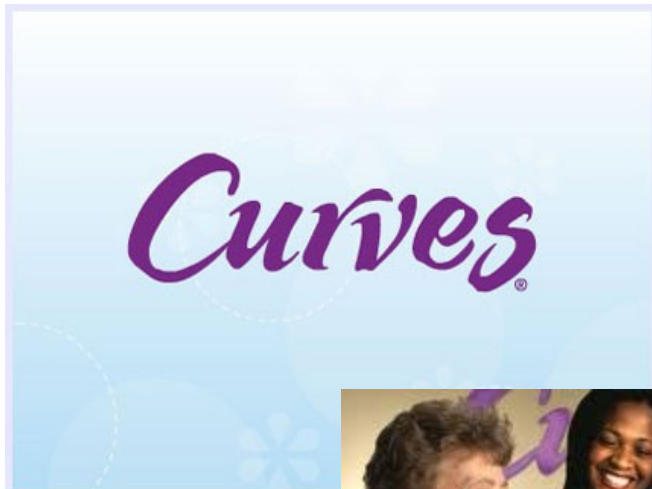
1875 to present

Ringling Bros. and Barnum & Bailey Circus is an American circus company. The company was started when the circus created by James Anthony Bailey and P. T. Barnum was merged with the Ringling Brothers Circus.

1984 to present

Based in Montreal, Canada, founded in 1984 by two street performers, Guy Laliberté and Daniel Gauthier.

Curves vs. LA Fitness



Curves was founded by Gary and Diane Heavin . They opened their first Curves in Harlingen, Texas, in 1992. This new concept of 30-minute fitness, strength training, weight-loss guidance, and an environment designed for women. They began to franchising 1995.

[yellow tail] WINES

[yellow tail]®



- Casella Wines Pty Ltd. Casella wines is based in Yenda, Australia, population 1400.
- The Casella family has produced wines since 1820s in Italy. Moved to Australia 1957.
- Partnered with W.J. Deutsch & Sons in 2000
- W.J. Deutsch & Sons: People, product, package, promotability, and pricing.”
- Started with Two Wines with color coded labels
- Sold at Costco
 - 112,000 cases in 2001
 - 7.5 million cases in 2005



Comparing Strategic Moves

RED OCEAN

Compete in existing market
Beat Competition
Exploit Existing Demand
Make a value-cost trade-off
Align company with choice of differentiation and lower cost

BLUE OCEAN

Create uncontested market
Make competition irrelevant
Create and capture new demand
Break the value-cost trade-off
Align company for differentiation and lower cost

Value / Cost Trade-off

- Hotel groups compete on features / cost



\$71.00



\$209.00



HOTELS · RESORTS · SUITES

\$209.00



HOTEL COMPANY, L.L.C.

\$379.00



\$239.00



\$109.00



\$144.00



\$149.00



\$169.00



Value / Cost Trade-off

- What would happen if you could offer Marriott Location, Features, Service, and Quality at nearly TownePlace Costs



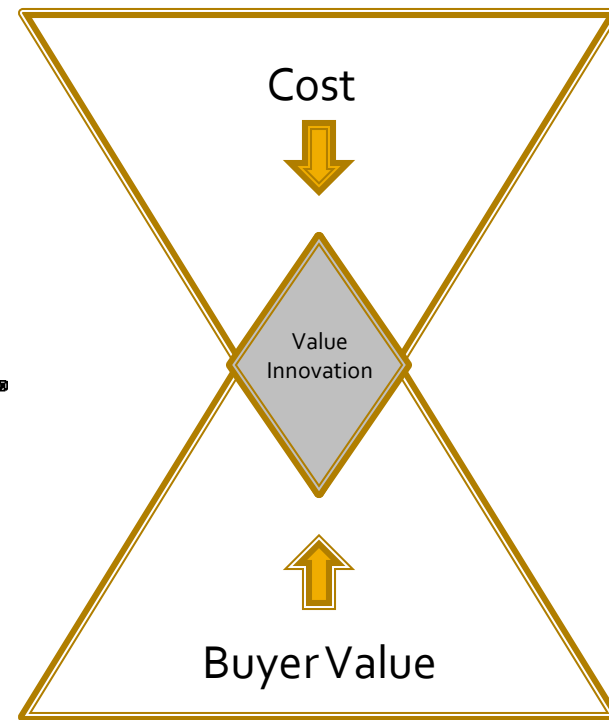
Value Innovation

- Innovative Product
- Lower cost
- Raise Buyer Value

Google

eBay

facebook

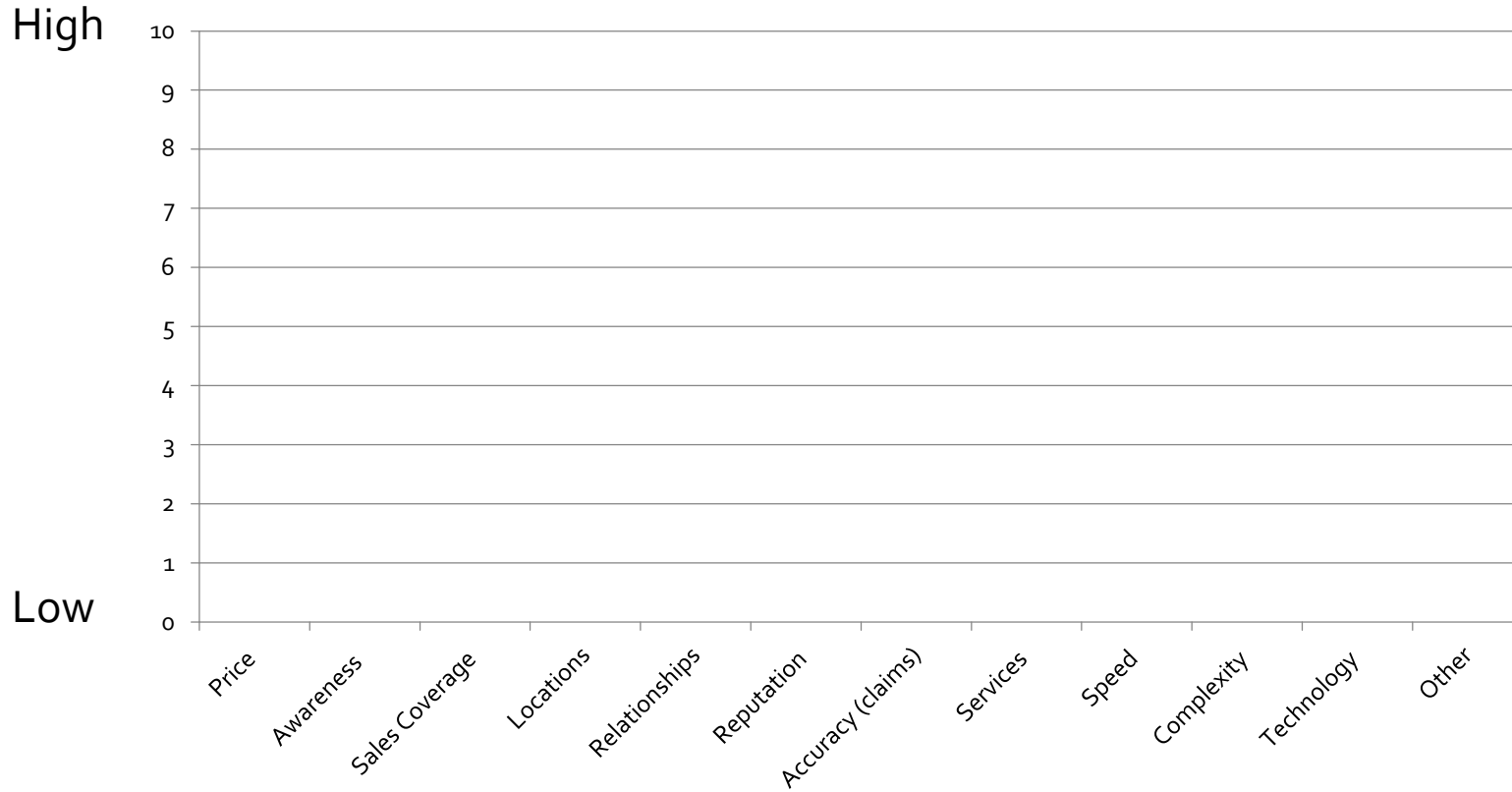


The Strategy Canvas

Market Factors	My Company	Their Company	Fidelity Family	First American	Old Republic	Stewart
Price						
Locations						
Awareness						
Sales Coverage						
Relationships						
Reputation						
Accuracy (claims)						
Complexity						
Services						
Speed						
Technology						
Other _____						

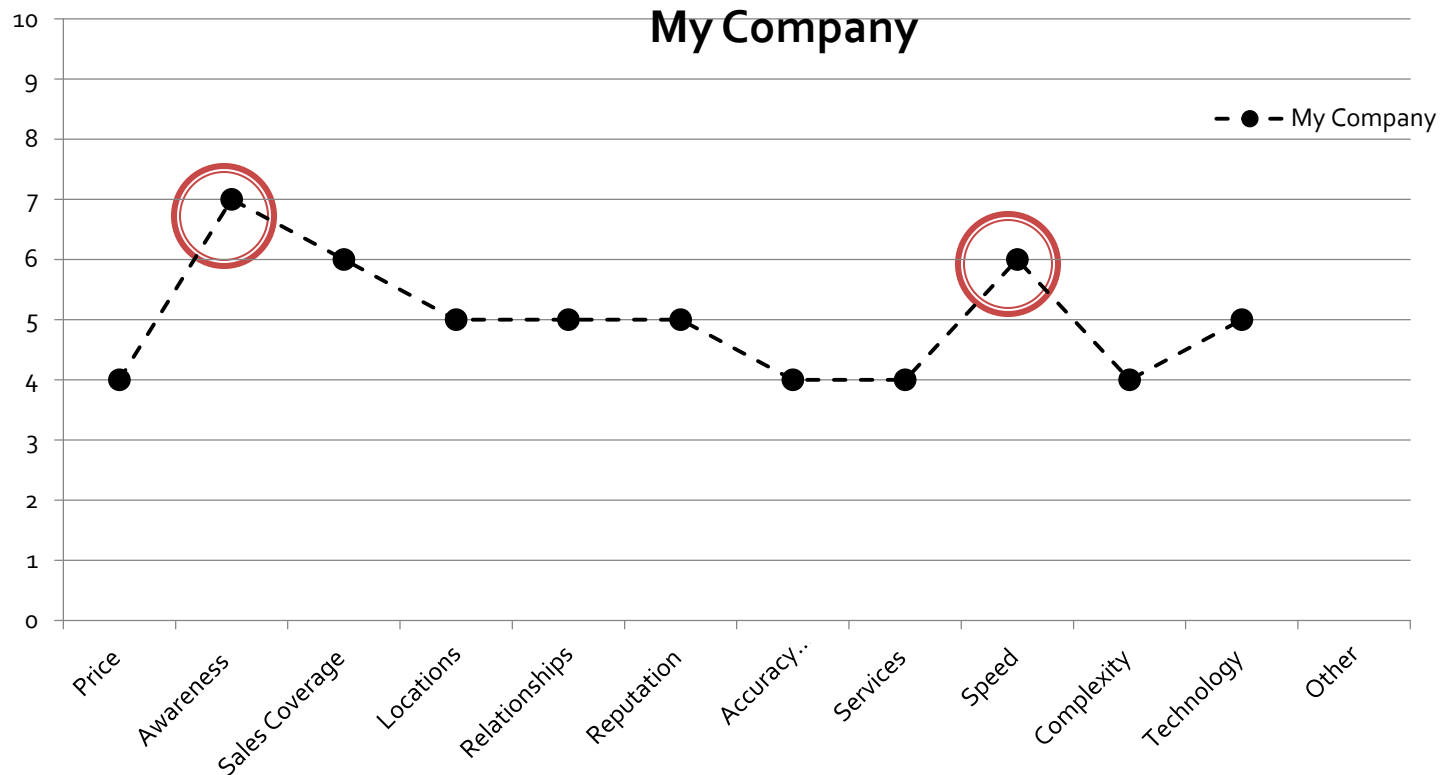


Where are you?



The Strategy Canvas

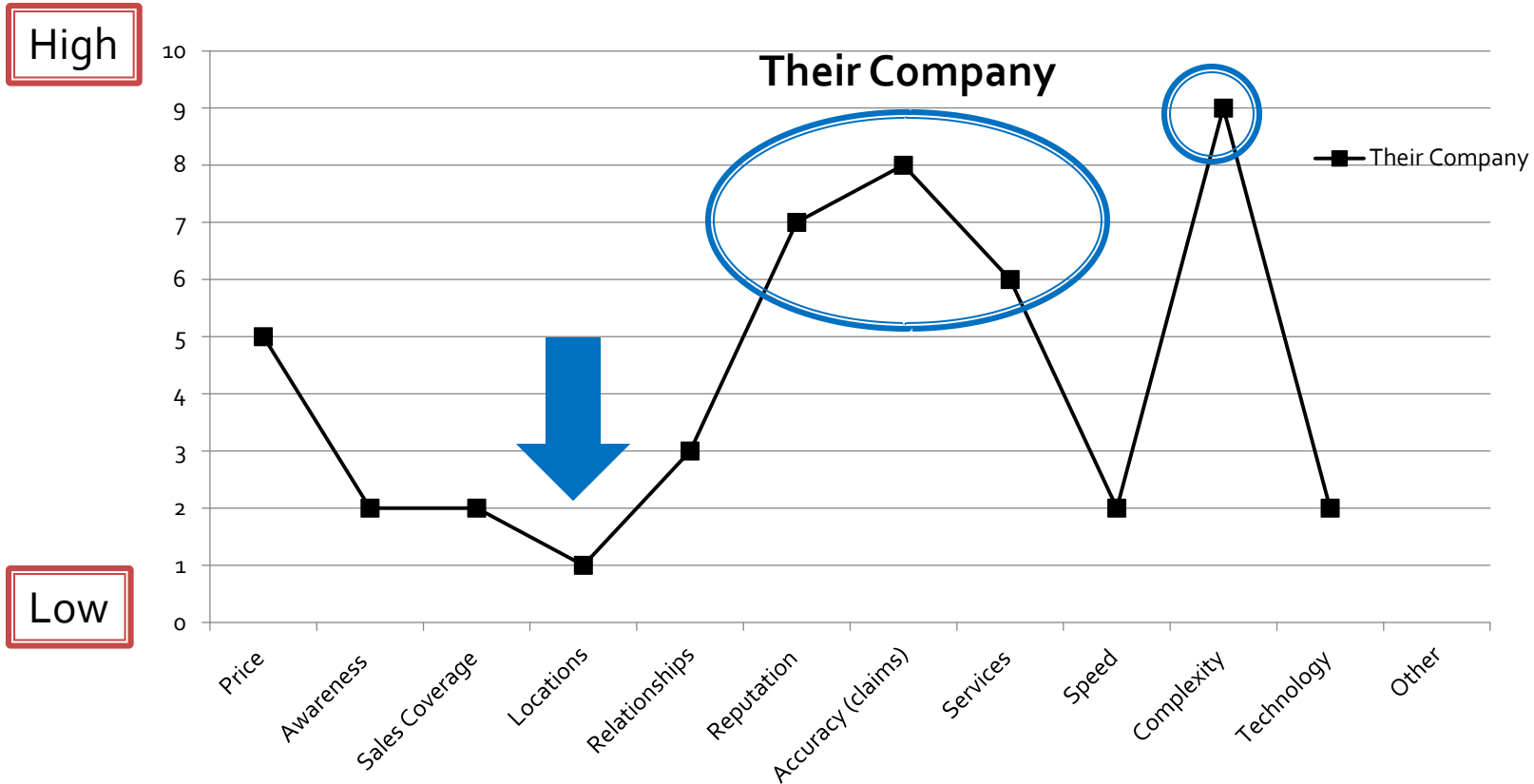
High



Low



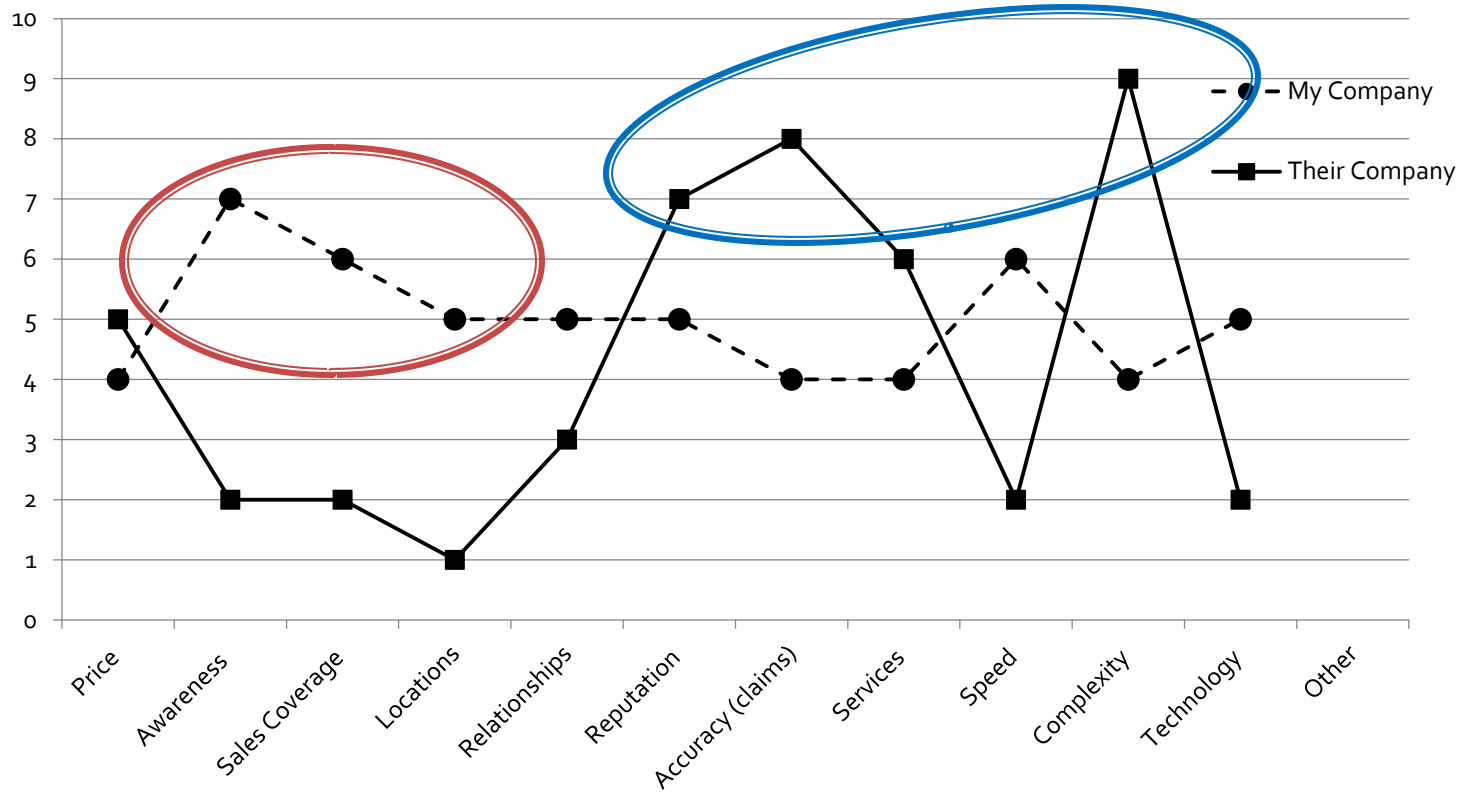
The Strategy Canvas



The Strategy Canvas

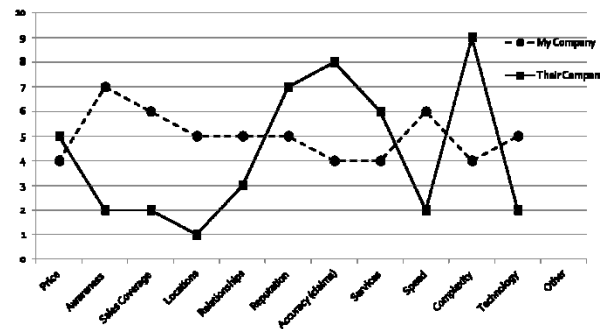
High

Low



Four questions about your company

1. What factors should be eliminated?
2. What factors should be reduced below industry standards
3. What factors should be raised above industry standards
4. What factors should be created that are not offered



Market Factors

Price

Locations

Awareness

Sales Coverage

Relationships

Reputation

Accuracy (claims)

Complexity

Services

Speed

Technology

Other _____

Momentum

- Factors that drive strategy success
 - Focus
 - Divergence
 - Compelling (tagline, vision, mission, purpose)



Creating a Strategic Focus

Strategic Focus	Red Ocean	Blue Ocean
Industry	Focus on rivals in industry	Looks across alternatives
Strategic group	Focus on position in group	Looks across groups
Buyer group	Focus on better service	Redefines buyer group
Scope of product or service	Focus on maximizing value	Looks across complementary products and services
Function vs. Emotion	Focus on pricing	Rethink function and emotion
Time	Focus on adapting to change	Shapes change

Creating (finding) a Blue Ocean

- Traps
 - Being the best in the 'industry'
 - Segment the industry / customers
 - Focus on the same customers
 - Define the scope of products and services
 - Accept industry's functional or emotional orientation
 - Focus on same point in time

Products and services

- See the new product or service from the consumers point of view.
 - Who should be the consumer?
 - What does the consumer need that is not being offered?
 - What else could or should be sold to the consumer?
- What are you selling
 - Function: Title insurance
 - Emotion: Owning a home

Creating (finding) a Blue Ocean

- Substitutes for getting to work
 - Taking a car to work,
 - Taking the bus to work,
 - Taking a cab to work,
 - Riding a bike
 - Walking
- Alternatives for your night time dollars
 - Going to a restaurant,
 - Going to a movie,
 - Going bowling.
 - Netflix



Substitutes and Alternatives to Title Insurance

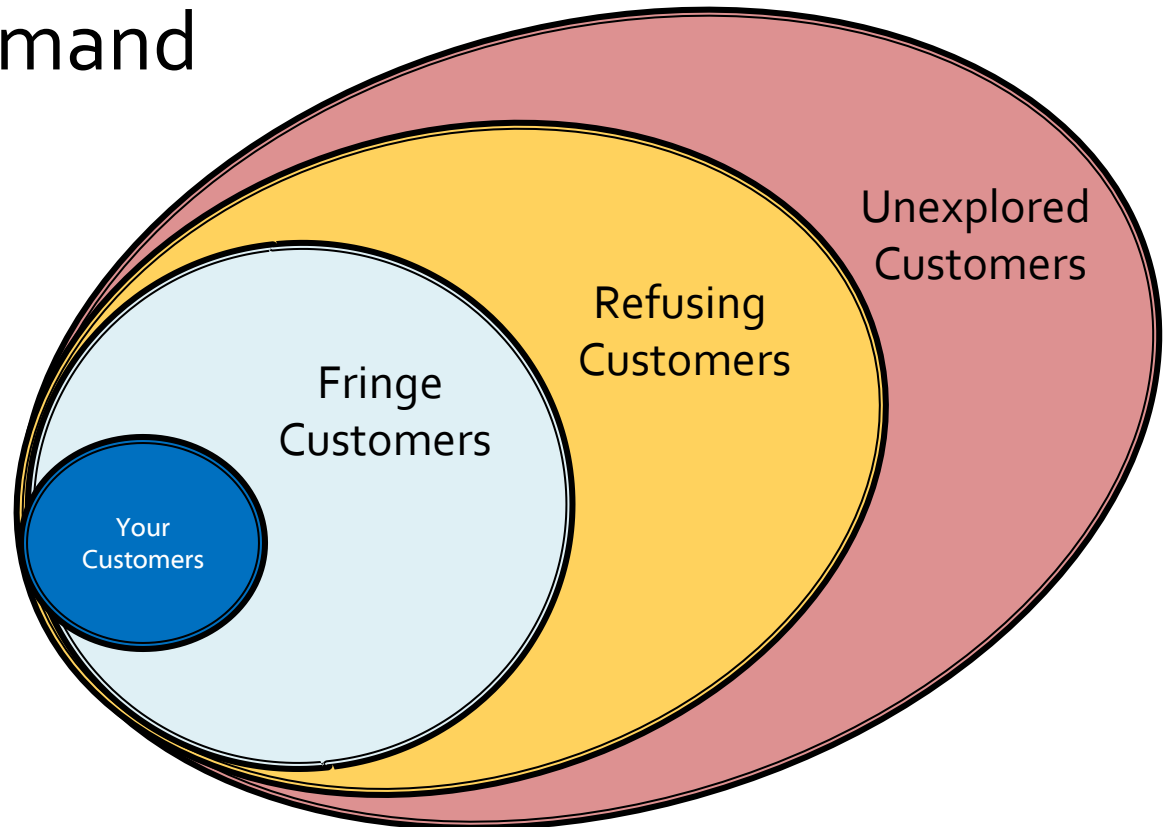
- Substitutes
 - Insuring the legal transference of real property
 - Title Policy
 - Attorney Opinion
 - Contract
 - No Insurance
- Alternatives
 - Conducting the legal transference of real property
 - Title Agent - policy issuing company
 - Attorney
 - Closing agent
 - Settlement company

Looking across time

- Projecting the future from a trend
 - What changes in technology have come about because of the iPhone
 - What is next?
- Projecting changes in the consumer from a trend
 - What changes in behavior has the iPhone caused?
 - What is next?

Finding New Customers

- To survive you must find customers beyond existing demand



Customer Groups

- Attorney (purchaser and influencer)
- Lender (purchaser and influencer)
- Realtor (influencer)
- Home Owner
- Home Buyer
- First Time Home Buyer
- Builder / Developer
- Short Sale
- Foreclosure
- REO
- REIT
- FSBO (purchaser and user)
- Vacation (second home)
- Condominiums, Apt, etc.
- Commercial properties
- Rental property owners (landlords)
- Farm
- Gas and Oil
- Others _____

What group accounts for 80% of your business?

What group is untapped?



CUSTOMERS in 2012

- in January
 - 321,000 Buyers in January (up 3.5%)
 - 20% Seller - FSBO (64,200)
 - 80% Seller - Realtor (256,800)
 - 165,363 renters in January
- In 2012
 - 3.6 million buyers
 - 3.6 million sellers
 - 1.8 million renters

CUSTOMERS in 2012

Internet Customers:

- For the first time ever, more people find their home first by seeing it on internet.
- More than 90% of all homebuyers use the internet to search for a home.
- More home sellers will utilize the internet to compare recently sold homes and price their home more effectively.



Creating a Strategic Focus

Strategic Focus	Red Ocean	Blue Ocean
Buyer group:	Realtor	Seller /Buyer
Industry	Property profile	?
Strategic group	Faster commitment	?
Buyer group	Settlement figures	?
Product / service	Scheduling closings	?
Function / Emotion	On line – status	?
Time	After hours closings	?

Real Property Transfers R US

- Customers who enter the transaction via the internet:



Making Strategic Moves

- Blue Ocean ideas will not work unless you have innovation, utility, price, cost, and effective implementation.

Buyer Utility
Is there mass appeal

Price
Is your price accessible

Cost
Can your cost achieve a competitive profit

BARRIERS
Can you implement and capture market

RED, BLUE, or GREEN

- Whether the water is Red, Blue, or Green, successful companies have a clear strategy that is well developed and executed. A strategy that promotes their brand.
- What is your Strategy?
- What is your Brand Identity?



How are you competing?



- Product Residential resale
- Segment Realtor
- Customer Carmen Cervantes
Century 21

What is your strategy
for this customer?

What is your competitor's
strategy for this customer?

Price
Awareness
Sales Coverage
Locations
Accuracy (claims)
Speed
Relationships
Reputation
Complexity
Services
Technology
Other _____

SET YOUR COMPANY APART

- Hedgehog – be the best at one thing
- Branding – create an image
- Lower your internal costs
- Increase your efficiency
- Know your target customer



SWIMMING WITH SHARKS

- Make the water clearer
 - Set yourself apart
 - Make your Brand mean something
 - What do you do best?
 - Market one or two features
 - You can't be everything!
 - What restaurants do
 - Location matters, but
 - First, get the food right
 - Second, get the service right
 - Third, connect with customers, make them want to come back
 - Everything else: Décor, menu, bar, wine, parking



GOING BLUE OCEAN

- Use Brainstorming to generate ideas:
 - New products to sell to existing title customer.
 - New customers to sell traditional title products.
 - New real estate related products that may or may not require title insurance.
 - A new business for title information.
 - A new (additional) business for title agency owners.
 - A new application
 - Fits in no box.

Next Steps

- Decide if you want to be Red, Blue, or Green
- Plot your strategies on the canvas
- Rate your company against others
- Consider new ideas / strategies
- Select strategies for the future
- Build a vision and goals around the strategies
- Lead the change



Staying Afloat

- You have to adapt – change or die
- You have to improve –lower costs
- You have to get the basics right

QUESTIONS AND ANSWERS

What will your company
be like in the future?



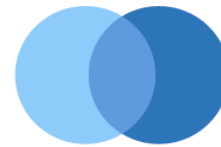
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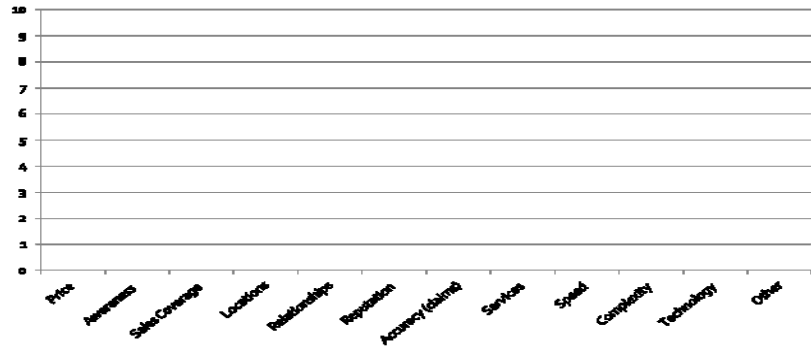
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MAKING STRATEGIC MOVES HANDOUT

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- Price
- Reputation
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- Locations
- Appearance
- Awareness (Marketing)
- Sales coverage
- Complexity (commercial)
- Services (reo, short sale, reit)
- Speed (turn time)
- Technology
- Other _____



WHAT CHANGES ARE YOU PLANNING?

- 1.
- 2.
- 3.

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STRATEGY	COST	INCOME
1		
2		
3		
4		
5		
6		
7		