

Corporate Behavior Analysts, Ltd

Business Strategies for Change in a Digital Age

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ROGER LUBECK
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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 Corporate Behavior Analysts, Ltd, 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. In his career, Roger has been a business consultant, workshop leader, retreat facilitator, public speaker, speechwriter, assistant professor, researcher, parent trainer, and dog catcher. Roger is married to Lynette Chandler, a University Professor and author. Roger is the author of two published novels, To the Western Border and Bullseye, and a number of publications on customer service, leadership, management, marketing, and sales.



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Chris Hanson, Ph.D is Executive Vice President of CBA. Chris holds degrees in Behavioral Systems Analysis and Clinical Psychology from West Virginia University. He has over 30 years of consulting experience in the public and private sectors. Chris has consulted with early childhood programs throughout the U.S. including establishing integrated services for HIV infected children and their families. Since 1991, Chris has advised and coached business executives and managers in the title insurance industry. He is an avid back-country skier, loves Black & White photography, and lives in Chicago with his wife Cheriann, daughters Lindsay and Kristan, and a black lab named Sam.



CORPORATE BEHAVIOR ANALYSTS, LTD.
www.cbatld.biz

Corporate Behavior Analysts, Ltd. (CBA) is a Chicago based consulting firm providing leadership and management development. Founded in 1998 by business Psychologists, Chris Hanson, Ph.D. and Roger Lubeck, Ph.D., 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 leadership and management, Roger and Chris have consulted with small and large companies in more than fifty cities in over thirty states.

FINDING THE RIGHT PATH

LUBECK / HANSON

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THE DIGITAL AGE



WHY DOES a BUSINESS SUCCEED OR FAIL?

- What have we learned from reality TV?
 - 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.



How will you compete?

- Brand recognition
- Better marketing
- Better sales
- Better locations
- Better people
- Better product
- Better customer service
- Better technology
- Less expenses
- Price



Selecting S

RED C



N



Blue Ocean Strategy



- Based on Blue Ocean Strategy (2005)
 - by W. Chan Kim & Renee Mauborgne
- Value Innovation vs. Differentiation
- In Blue Ocean, the market is free of competitors.
 - Focus on new or untapped customers.
 - Create a product that is innovative.
 - Create a product with few competitors
 - Price / value / cost free you from competing strategies



Circus vs. Cirq



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.



[yellow tail] WINES

- 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



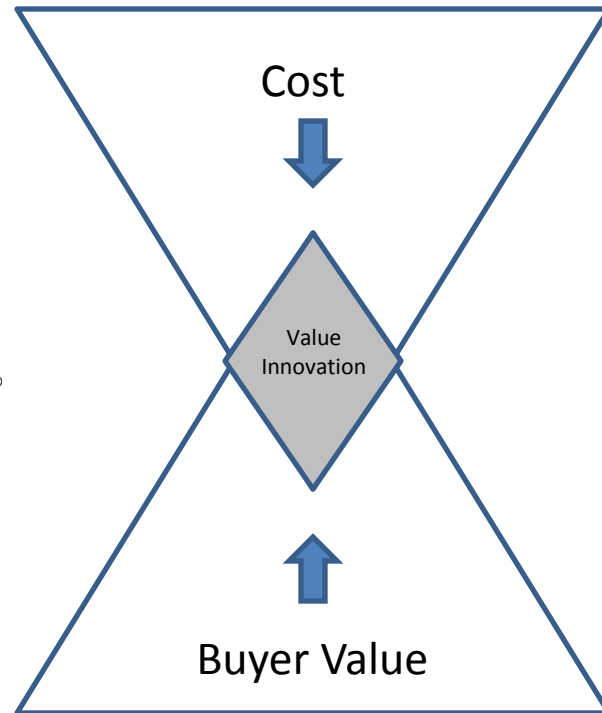
Value Innovation

- Innovative Product
- Raise Buyer Value
- Lower cost

Google

eBay

facebook



The Strategy Canvas

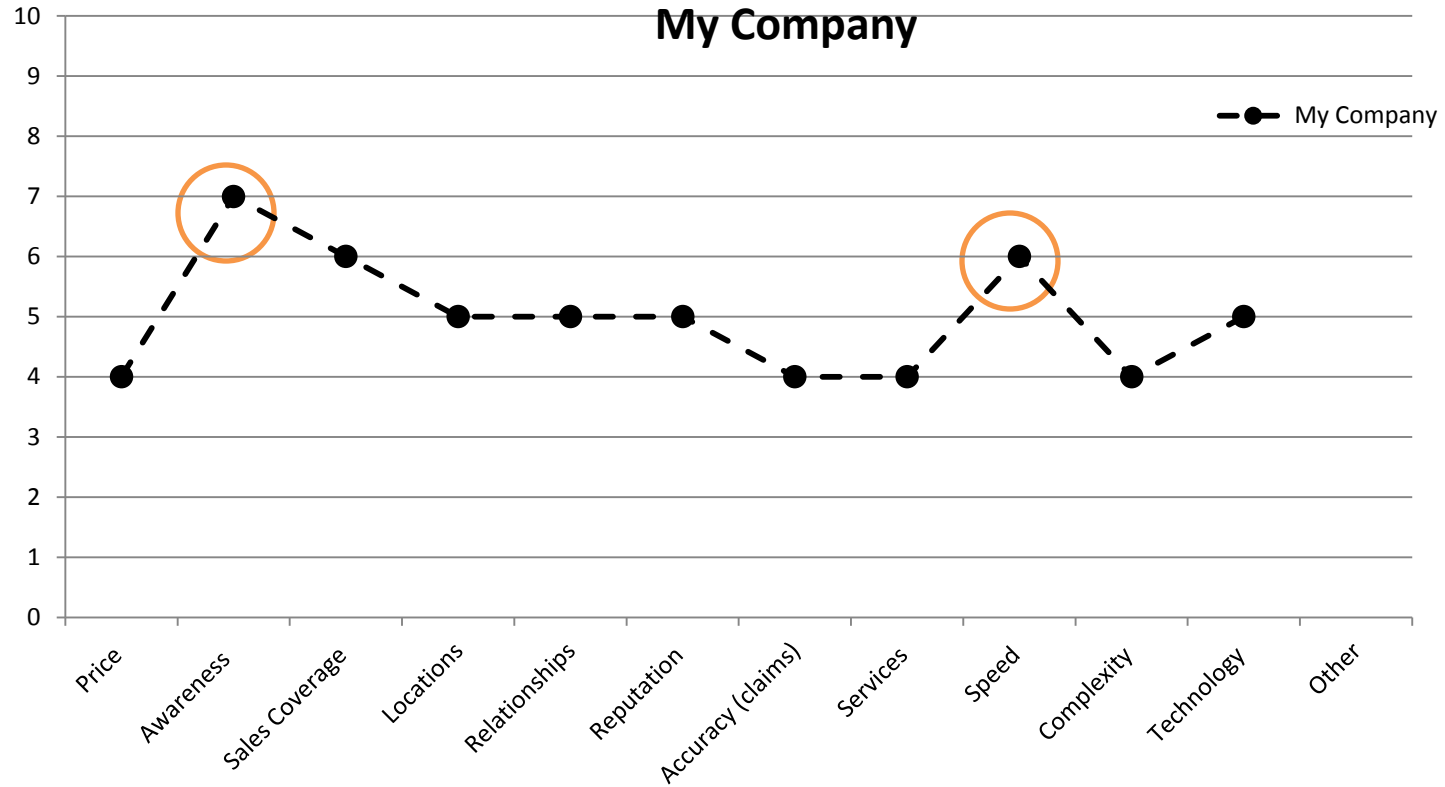
Market Factors	My Company	Their Company	Fidelity Family	First American	Old Republic	Stewart
Price						
Locations						
Awareness						
Sales Coverage						
Relationships						
Reputation						
Accuracy (claims)						
Complexity						
Services						
Speed						
Technology						
Other _____						



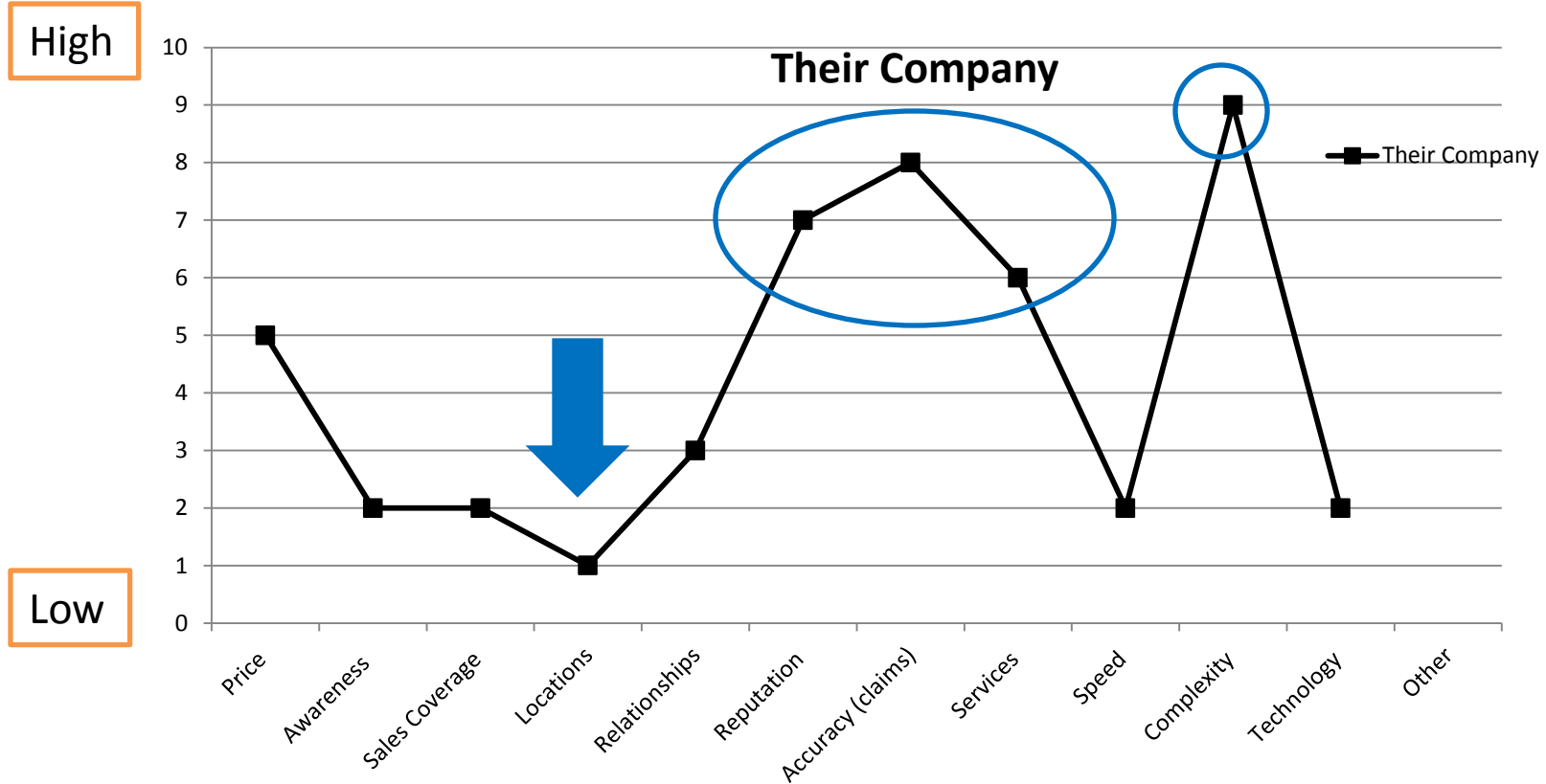
The Strategy Canvas

High

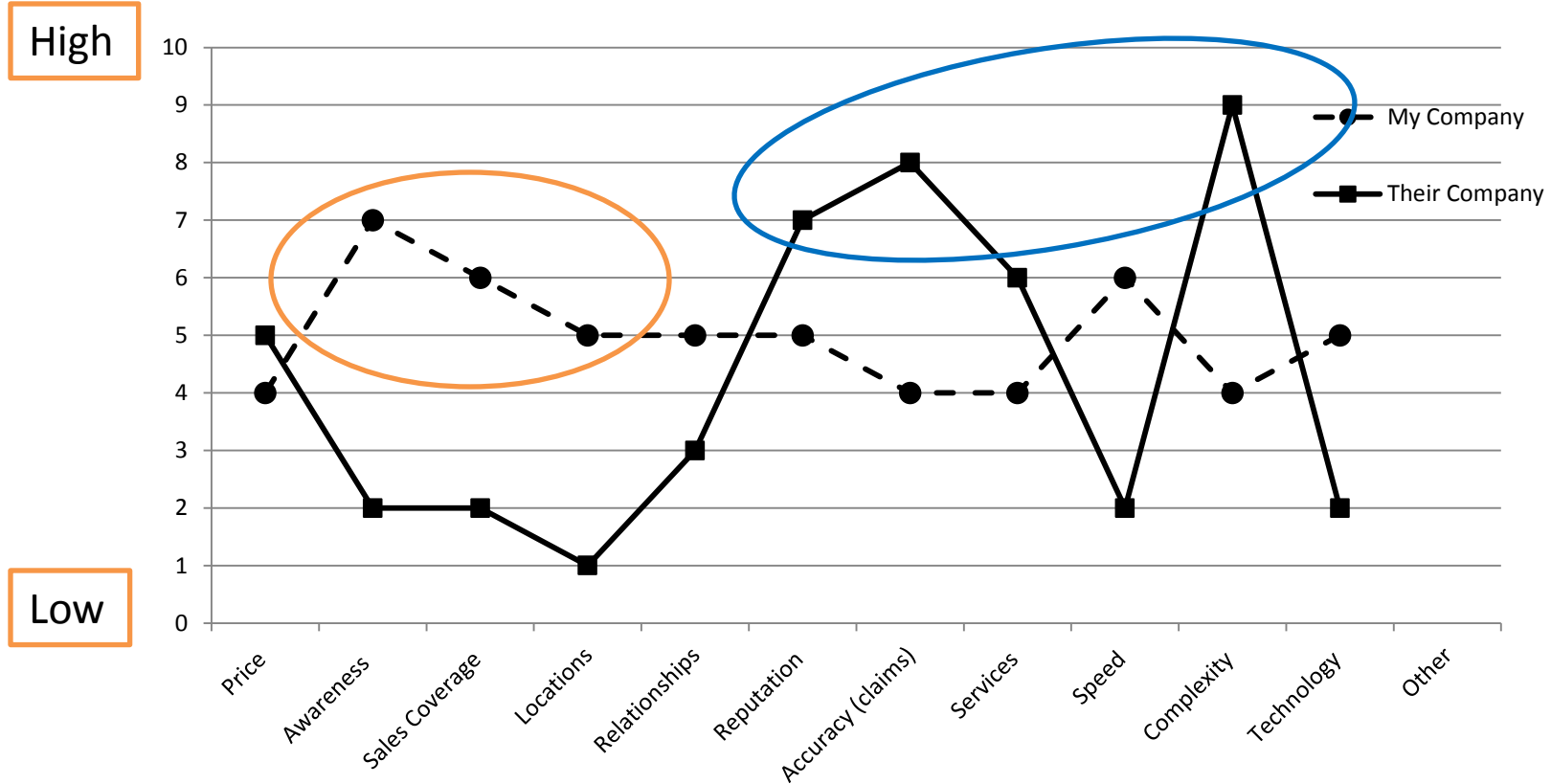
Low



The Strategy Canvas

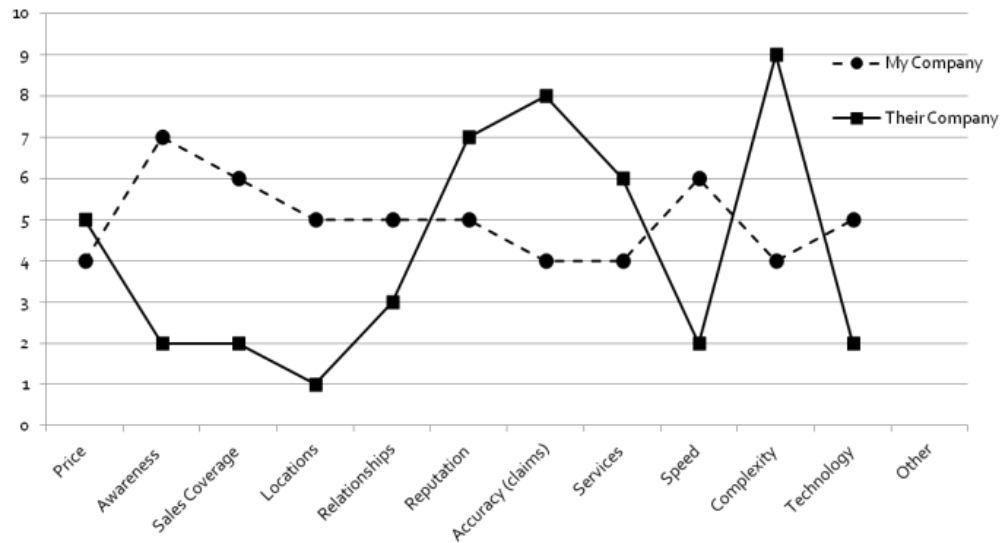


The Strategy Canvas



Four questions about your company

1. What factors should be eliminated?
2. What factors should be reduced
3. What factors should be improved
4. What factors should be created



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

WHO WILL HAVE THE NEXT GREAT IDEA?



stewart
title

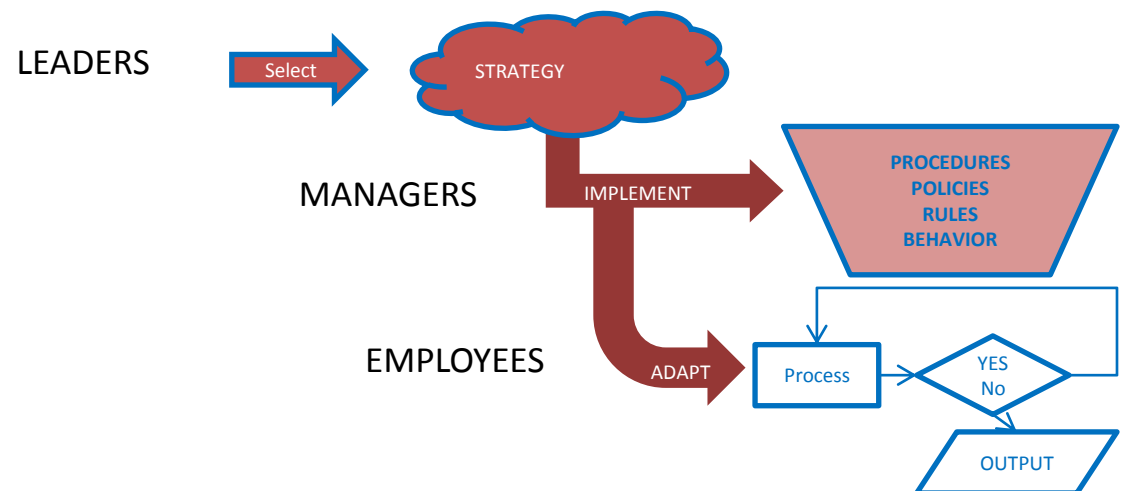


e-recordings

- How long does it take to record a transaction?
 - Will e-recordings reduce the time?
- What does it cost you to record a transaction?
 - Will e-recordings reduce the cost?
- What and who will you have to change to move to e-recordings?
 - How will it affect your organization?
 - Where will you start?

Organizational change

- Often change at an organizational level is driven by external factors, but ultimately change is always caused by leadership, management, and employee adaptation.

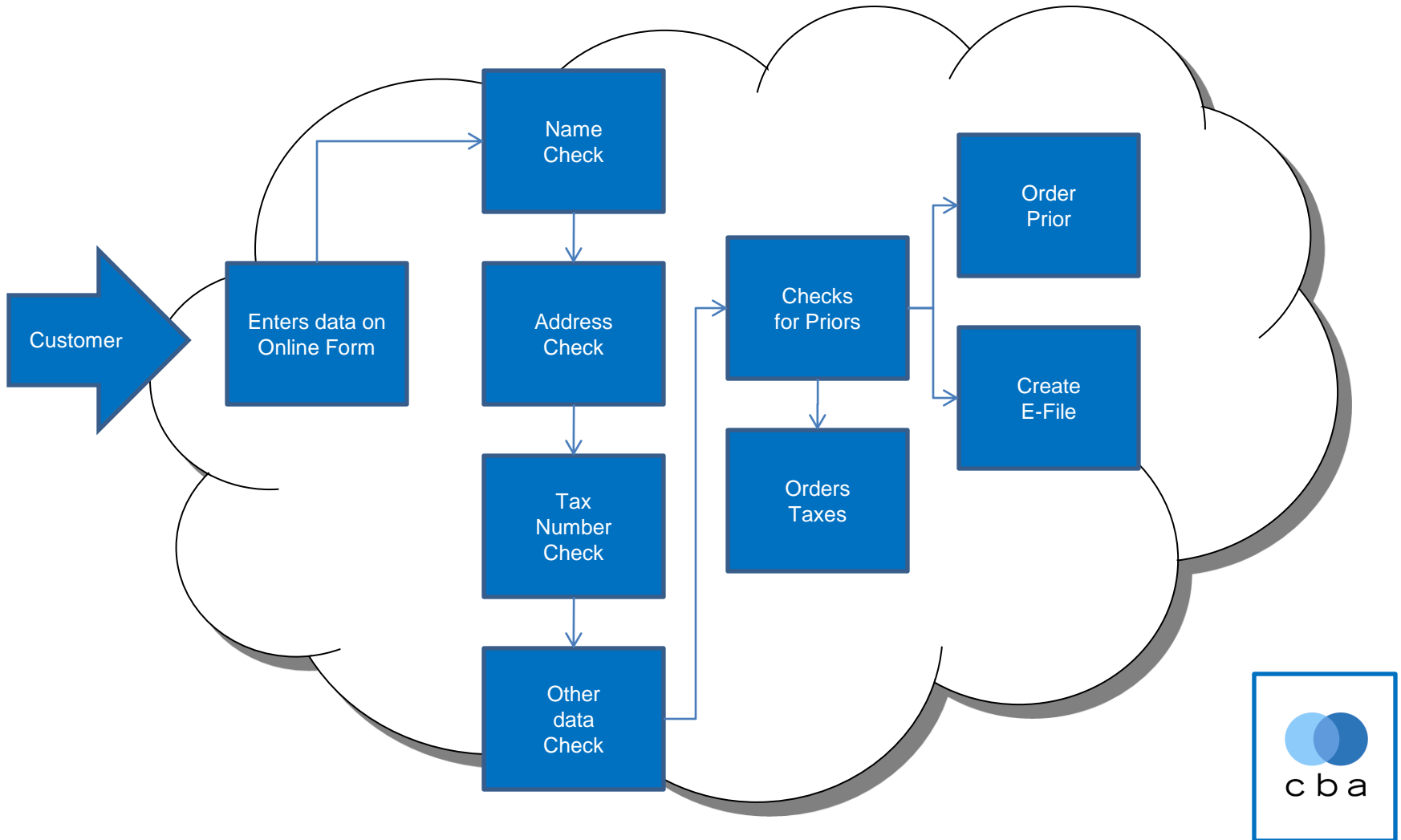


CHANGE PROCESS (Steps)

1. Vision
2. Assessment
3. Communication
4. Design
5. Implementation planning
6. Testing
7. Evaluation and refinement



ENVISION THE FUTURE



ASSESS READINESS

Evaluate the Readiness of each person in your organization

CONDITION	YES	NO
Does not actively oppose change efforts	✓	
Does not passively resist change	✓	
Job is secure and will follow	✓	
Will change if minimal disruption to work	✓	
Agrees with the need for change	✓	
Believes change is possible	✓	
Accepts change readily	✓	
Dissatisfied with present state		✓
No coaching or training is necessary	✓	
Able and confident	✓	
Already Changing		✓



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REMOVE OBSTACLES

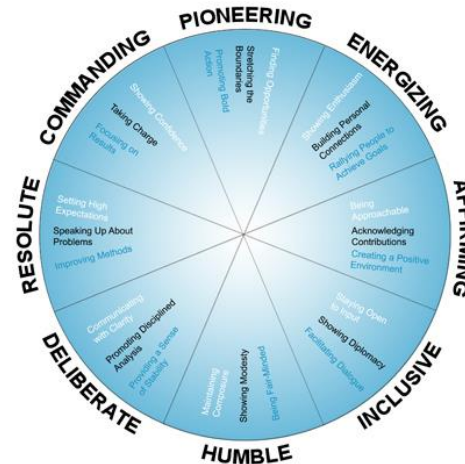
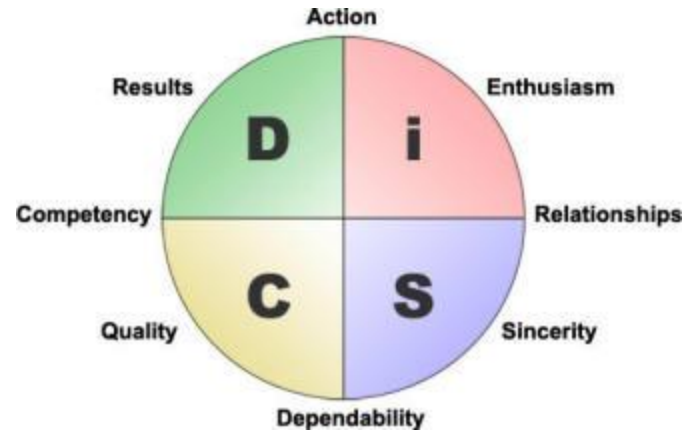
- What you can do:
 - Identify people who are resisting the change, and help them see what's needed.
 - Take action to quickly remove barriers (human or otherwise).
 - Identify change leaders whose main roles are to deliver the change.
 - Look at your organizational structure, job descriptions, and performance and compensation systems to ensure they're in line with your vision.
 - Recognize and reward people for making change happen.

FOR people

- People are genetically prepared to adapt and change
 - Born being risk takers and flight artists
 - Learn when to change
 - Learn when to resist
- Change is Situational
 - What is at risk for the person
 - Investment
 - Fear
 - Loss
 - Expectations
 - Skepticism
 - Office politics

BEHAVIORAL PROFILE

- DiSC
 - Dominant
 - Influencer
 - Steadiness
 - Conscientiousness



COMMUNICATE THE CHANGE

- What you can do:
 - Create a communication plan.
 - Talk often about your vision for change.
 - Apply your vision for change to all aspects of operations – from training to performance reviews. Tie everything back to your vision for change.
 - Openly and honestly address peoples' concerns and anxieties.
 - Lead by example.

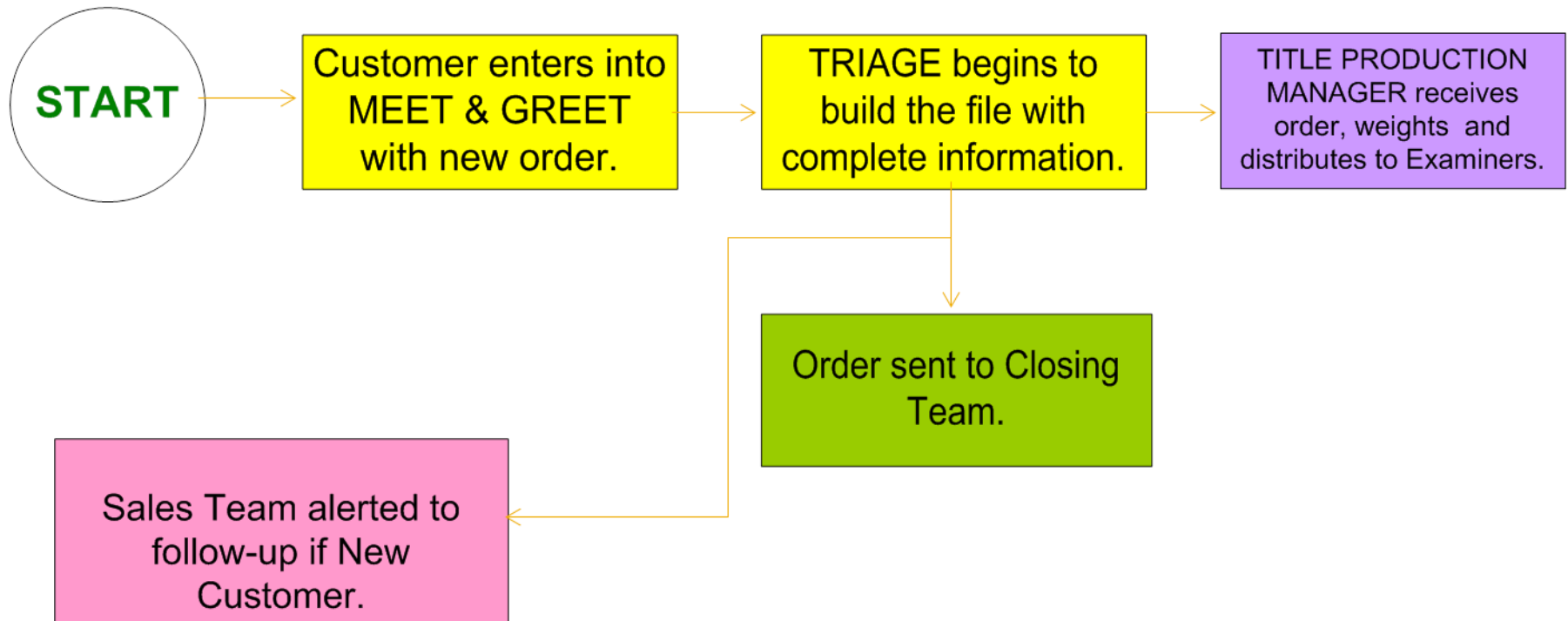
FORM A DESIGN TEAM

- Purpose
 - Examine current system
 - Plan a new system
- Select cross-sectional team
 - Team steps:
 - Choose evaluation measures
 - Map current process
 - Identify workflow issues
 - Develop new change ideas
 - Develop\map new work design
 - Develop Implementation Plan



Develop a plan

- Consider Mapping:



Test the plan

- Test the plan
- Compare test results to baseline (A/B)
- Analyze performance change after test
- Amend the plan based on the test

WHAT CAN YOU DO NOW?

- No “YEAH BUTS”!!



WHAT CAN YOU DO NOW?

- Tell your “Story”.



VISION AND VALUES

Our Vision:

Building a profitable and dynamic business in our markets and beyond.
Forging a sustainable workplace for our employees.

Our Purpose:

Professionally enabling the conveyance of real estate. We take a personal interest in our customer's success in completing his/her real estate transaction.

Our Motto:

We take a personal interest in the success of your real estate transaction.

Our Values:

What we must live by:

1. Our customers are very satisfied with the services we provide and the quality of our products.
 - We strive to ensure our customers' transactions are very successful
 - We must ensure the accuracy and timeliness of our products
 - We are professional and courteous in all interactions
 - We are problem solvers; we find ways to address our customers needs and issues
 - We are honest, reliable and dependable; we do what we say
2. We are respectful, ethical, and fair in our interactions with co-workers, clients, and customers. We are flexible and understanding of others.
3. We attract and sustain high quality staff. We encourage the development of business knowledge and expertise and participation in our industry.
4. We are socially responsible; in big and little ways, we are active in the communities in which we live and work. We believe in contributing to the common good.

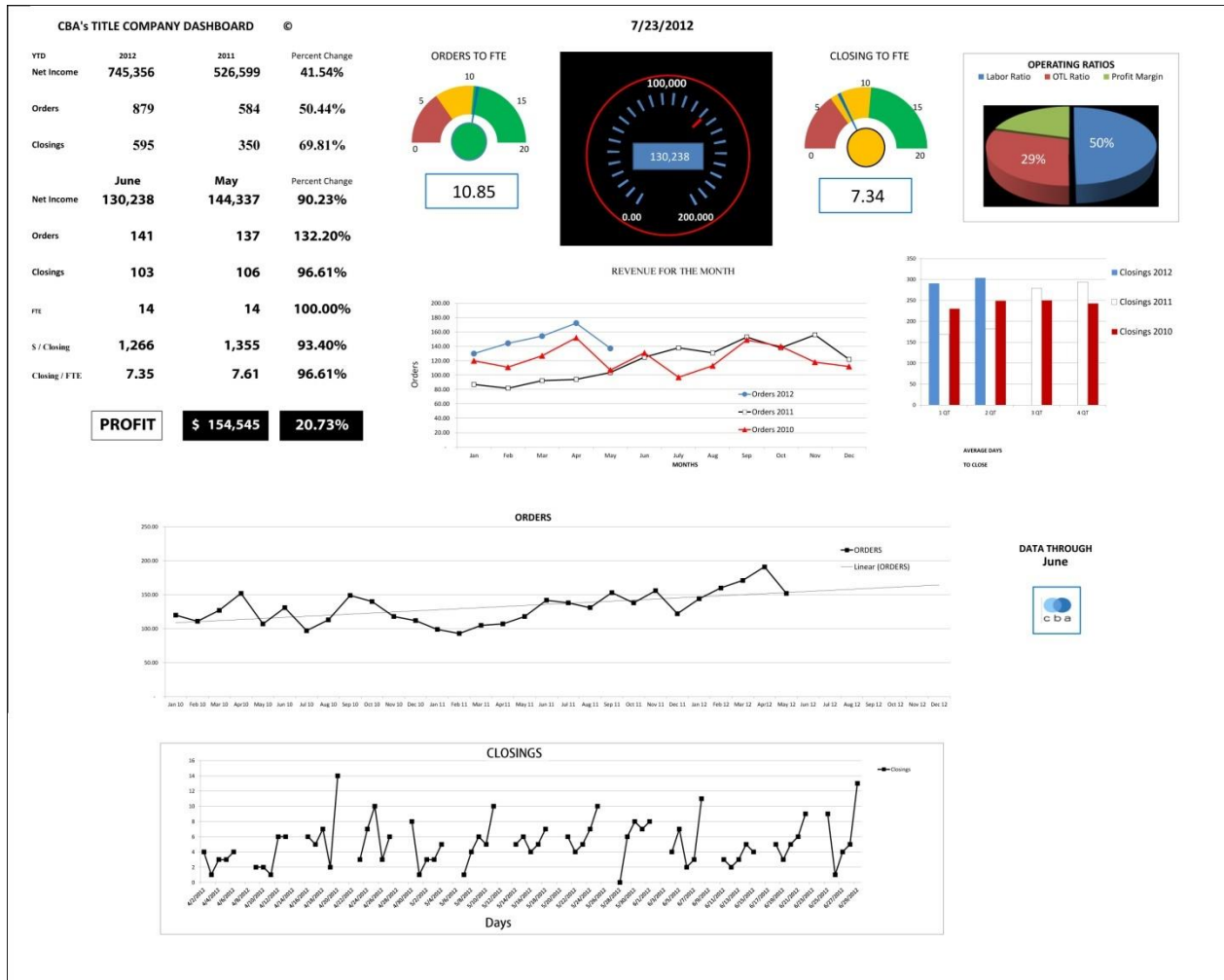
WHAT CAN YOU DO NOW?

- Focus on your leadership
- Focus on positioning your company\develop your brand
- Budget for 2013.

BUDGET FOR 2013

- Orders
- Closings
- Gross Revenue
- Cost of Sales
- Net Income
- Labor expense
- Other than labor operating expense
- FTE
- Profit

CBA's DASHBOARD



Start tomorrow to:

- ❑ Improve your web site
- ❑ <http://www.setcoservices.com>



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- COST CALCULATORS**
- HUD GENERATOR**
- FOREVER MARKETING™**
- PAPERLESS CLOSER**

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- Prairie Title is one of the largest residential and commercial title insurance agents in the Chicago Metropolitan area, serving the State of Illinois. Headquartered in Oak Park, Illinois, a prominent suburb just west of Chicago, Prairie Title is led by CEO Frank Pellegrini, whose professional experience in the title insurance industry dates back to 1978. Frank and his staff specialize in providing high quality real estate underwriting and closing services in a friendly, customer-service oriented environment.
- <http://www.prairietitle.com/>

START SMALL

- Changes that can be accomplished with little planning, with little instruction, and with little new learning.
 - Develop the company “Elevator Speech”.
 - Start “Town Hall” meetings with employees to promote a democracy of new ideas.
 - Form a “Think Tank” within your company to shape new ideas and solutions.
 - Change the one procedure\process in your company that customers complain about the most.



FOCUS ON MARKETING & SALES

- Start with 80\20 customer analysis
- Customer targets (Monthly)
- Manage customer contacts
- Sales goals
- Sales plan (Semi-Annual)
- Market Analysis (Annual)
- Commissions / incentives
- Focus on new customers



CUSTOMERS in 2012

- in October in US
 - 10.9% up
 - 11.1 price up
- in October in Northeast
 - 13.7% sales up
 - 4.6 price up
- In US
 - 3.6 million buyers
 - 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.



GET IN FRONT OF THE BUYER

- Zillow 32 million unique a month
- Trulia 23 million unique a month



D



Improve customer service

- Strengthen your basic services
- Create Wow Service
- Redesign around the customer
- Create Customer based processes
 - First time customer process
 - Loyalty program
 - VIP lounge



Customer BASED PROCESS

- DESIGN A NEW CUSTOMER PROCESS

Develop EMPLOYEES/Managers

- Employee reviews
- Goals
- Profit sharing\compensation systems
- Performance metrics
- Improve management functions
- Training / development



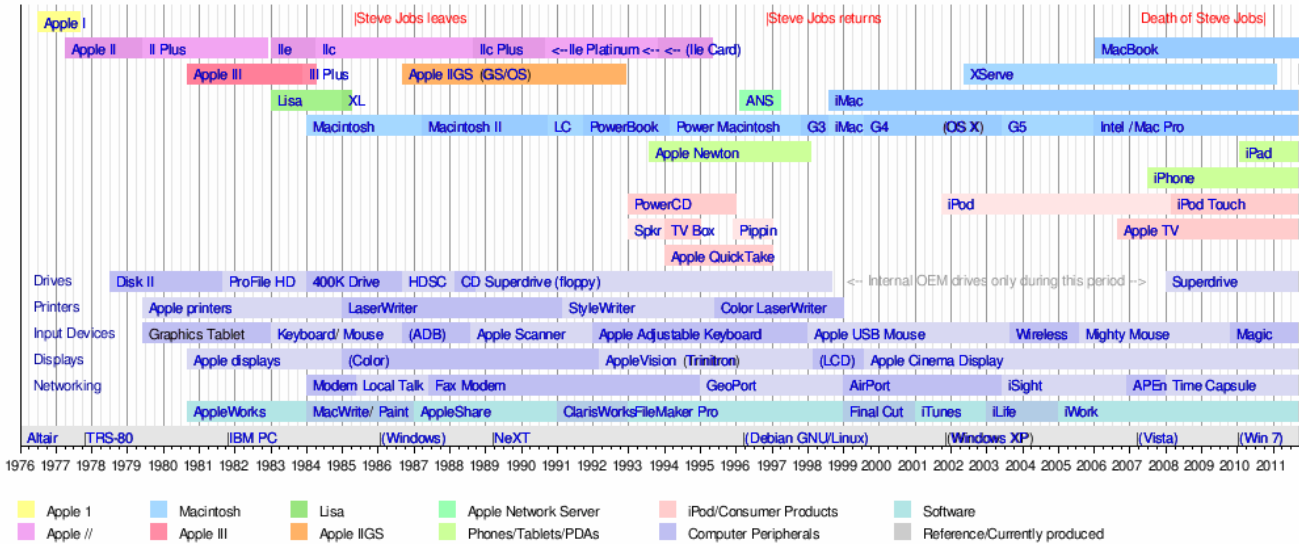
THE DIGITAL AGE



TITLE & the DIGITAL AGE

- 439BC Twelve Tablets
- 300AD Roman Law
- 1100 Common Law
- 1652 Deeds registration system (US)
- 1858 Torrens system
- 1847 Fidelity National
- 1868 Watson v. Muirhead - Title Companies
- 1871 Chicago Title
- 1889 First American Corporation
- 1923 Ditto Machine
- 1930 Microfilm / microfiche
- 1959 Photocopier
- 1961 IBM Selectric typewriter
- 1964 Facsimile / Fax
- 1965 Desktop Computer
- 1969 Daisy wheel printers
- 1970 Dot Matrix Printer
- 1971 Laser Printer
- 1977 Apple - TRS80
- 1977 Ink Jet Printer
- 1980 Digital Age
- 1983 Mobile-phone / Cell Phone
- 1990 Personal Computers
- 1991 e-mail - MS - Outlook
- 1992 PDA
- 1994 Wireless - Bluetooth
- 1995 World Wide Web
- 2001 Ipod
- 2008 Iphone
- 2010 Ipad

From Wikipedia



THREE years ago we asked

What will the first Title Insurance iPhone App look like?



Now every underwriter has an app.



TITLE & the DIGITAL AGE

Customer orders title search

Land records are searched

Search records are examined

Commitment to issue policy

Closing is scheduled

Lender package is received

Escrow process is completed

Closing is completed

Policy is issued to customer

Documents are sent to recording



**THE
DIGITAL
AGE**

Change IN THE NEXT 10 YEARS

- Technology and consumers will change the industry
- Artificial Intelligence
- Automated title & escrow processes
- E-recording systems
- Centralize production
- Outsource work
- Purchased products
- Move to a paperless environment
- Move to cloud technology
- Move to mobile closings
- Use of digital signatures
- Move to virtual closings
- Move to virtual offices
- Lower price

START THE PROCESS TODAY

- LEADERSHIP IS A MUST
 - HAVING A PLAN HELPS
 - CREATING BUY-IN IS ESSENTIAL
- But...in the end,

CHANGE IS OFTEN ABOUT HOW YOU START

HOW YOU GET PEOPLE TO SEE A SITUATION
DIFFERENTLY AND THEN
ACT DIFFERENTLY

HOW CBA CAN HELP

- Create a vision for change
- Assess readiness
- Improve communications
- Facilitate\lead design and implementation teams
- Evaluate and refine your change initiatives
- Provide focus for your sales efforts
- Design a WOW customer service program
- Coach\train your management team



QUESTIONS AND ANSWERS

What will your company
be like in the future?

