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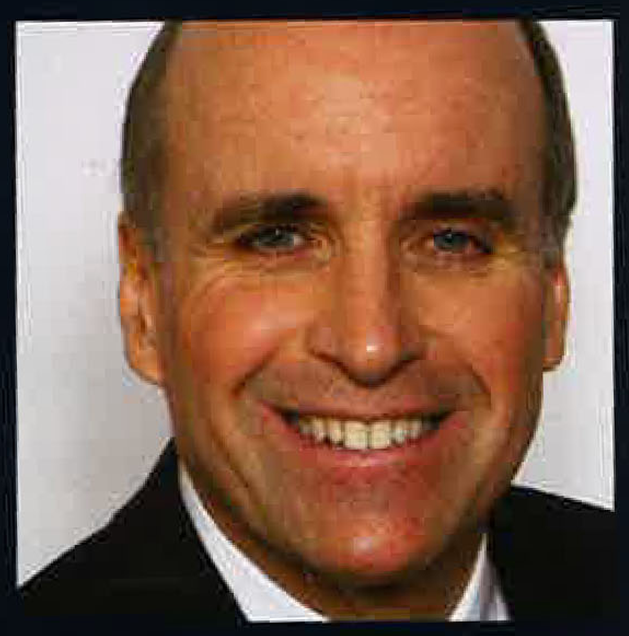
# From the Frontlines



- **What are the chief industry changes that affect your brokerage today?**

Technology has been driving industry change for five or six years and the rate of change is rapidly increasing thanks to newer business models and consumers pushing the envelope. Outside funding is shaking up the industry. Many companies are receiving large equity infusions, which create unbalanced short-term market conditions. That being said, competition is good. It makes us all better.

- **What are you doing about those changes?**

Our approach has always been, and will continue to be, highly proactive. We keep our ears to the ground and adapt to the ever-changing industry. If you have not been innovating over the past eight years, you should be sweating.

One area where we are innovating is our website. Four years ago, we felt that our platform was not delivering what we needed, so we set out to design and build a brand new site. This year, Real Trends recognized it as the country's best overall real estate site.

We are also replacing our backend system with an all-in-one platform that is being designed to meet every conceivable need of today's real estate professional, and seamlessly integrate with other tools and technology we have found to be effective. The new tech platform launches in April 2019, and it is all hands on deck to get there. Competition adds fuel to the fire.

Agent retention and recruiting is becoming a battleground. We have always emphasized strong communication with our agents, and we strive to cultivate trust through transparency by providing a window into the thought process behind our business decisions. That trust has been built over many years and has earned loyalty from agents and clients alike.

- **What are the biggest changes to your brokerage you have on the books for 2019? Why?**

Our fully integrated backend platform, which brings together all of our vendors into one place. It includes the CRM Contactually, reputation management tool Lumentus, automated digital advertising tool Adwerx and digital open house app Spacio. We are excited to invest in our proprietary technology in this way and stay on the cutting edge, and cannot wait to introduce it to our agents.

- **What keeps you up at night as a brokerage leader?**

Always looking forward to what is next when it comes to technology. I am also concerned about competitors with near bottomless pockets. We must ensure agents recognize the unique value we offer, and continuously update our value proposition to meet modern consumer demands.

We have been successful, and I would rather be paranoid than not. This motivates me – the competition raises my adrenaline. I like where we are. With its significant worldwide reach, the Sotheby's International Realty brand is a big asset.

- **How are you outperforming newer brokerage business models?**

We have been effectively innovating since we launched in 1949. Other firms are introducing their own tech platforms, but they have not been selling real estate for decades. Part of success is growth, but a more important part is execution, and we have proved the ability to execute profitably over decades. Talking is different than executing.

We have a long-standing reputation for providing exceptional services and support. Real estate is a relationship business not a product business. Technology is great and an important complement, but it will never replace the relationships that connect agents and consumers.

- **Where do you think newer models have an edge? What are you doing about them?**

Not having to be profitable in the short term because up-front funding gives some of these newer models an edge. They have also been good at including technology in their salesmanship. Yet, when you realize that much of this technology is provided by vendors accessible to all brokers, you understand that a lot of that promised edge is just marketing and story.

We are working to address this. Our own technology is singular and award-winning, and we are working to communicate that better. We are also focusing on communication that highlights the trust and culture our firm cultivates.

- **What do you see as the biggest long-term threat to your business?**

We as brokerages are the primary interface at the beginning of the real estate transaction. But we are seeing organizations like Zillow Group, for example, becoming a larger and larger presence at the top of the real estate sales funnel. That is something brokers should be watching closely. Zillow Group relies on our listings, so the horse has not left the barn in that relationship. The vast majority of deals are still done through local MLSs throughout the US.

Another threat is the industry's imbalanced capitalistic environment, with some new companies not needing to make money in the short term.

- **Do you think the residential real estate brokerage business is at a significant crossroad?**

It has been at a crossroad. With technology changing the old style of doing business and improving the consumer experience, the old way does not work anymore. If you do not start with technology to help the consumer, your value proposition is eroding.

Agents need real-time information to be the experts consumers increasingly demand. Business will increasingly be driven by relationships and high levels of service.

- **What do you think will be your firm's biggest differentiator in 2020?**

The Sotheby's International Realty network will continue to deliver the most sophisticated marketing and exposure. As we reposition our branding and public relations to emphasize our quality technology, we feel we will stand out through our association with the Sotheby's International Realty brand, long-standing relationships and great technology.

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Breunich heads of one of the world's largest Sotheby's International Realty affiliates in William Pitt-Julia B. Fee Sotheby's International Realty. The firm's over 1,000 agents in twenty seven offices in Connecticut, Massachusetts and New York do $4.2 billion in annual sales.