



3 Ways to Disrupt an Industry Before Someone Else Does

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With the rapid evolution of technology and its immersion into nearly every industry and facet of our lives, change is inevitable and innumerable. But historic models and siloed structures steeped in designs from previous generations can hinder quicker innovation.

It's easy to coast along in a system that has persisted for decades. Why change? Because everything becomes dated — change is inescapable. You must ask yourself, “Will I lead that transition or let it be dictated by my competition?”

Business leaders who don't act preemptively risk losing control of the process. A leader must confront change before it confronts him or her by visiting, innovating, and maybe even re-engineering his whole business model from the ground up.

The Case of Real Estate

Residential real estate is an industry with a track record of being very entrepreneurial, traditional, and fragmented. Brokers and real estate agents represent a large, diverse population with skill levels varying from professional to marginal, at best.

While an average of around 70 hours of training is required to become a licensed real estate agent, many industries require more. For example, prospective earth drillers need about 10 times more — an average of 704 training hours — to be certified.

A minimal licensing requirement is just one of the many facets of an industry — in this case, the real estate industry — that needs a reboot. The independent nature of real estate brokerage prevents the industry from establishing a larger list of standards and best practices. The industry struggles, too, with data aggregation and integration with the mortgage and title process, as well as widely used and applied best practices.

How to Take Control

To change an industry, consider the following:

1. Use the systems that exist. To survive and prosper, agents and brokers must first effectively navigate the industry while also navigating its changes. For example, real estate is increasingly being controlled by investment capital, broker profitability and consumer satisfaction, and each of these trends are changing

the current system.

It is vital to consider both the client (home-buying and selling consumer) and the investor (new public owners of real estate corporations) when re-engineering any facet of the industry. Don't just consider how the industry or the customer operates today; consider how any shift that occurs can play into the larger scope of opportunity and change.

2. Invent the change you want to see. Although change is happening without you, that doesn't mean you can't be a driver of change itself. Ideas don't become disruptive or successful if you talk about them but don't act on them.

For example, in the residential real estate brokerage industry, brokers and real estate franchises teamed up last year to form a nonprofit company called UpstreamRE LLC.

The initiative envisions brokers to use a new database distribution center that will empower brokers and consumers through the agents they're working with to promote the sale of a house to any platform, portal, or website they choose.

Upstream — the top trend in the recently released 2016 Swanepoel Trends Report — is a fascinating evolutionary and disruptive step where an industry is attempting to take control of its own future.

3. No company or industry is an island. There's no point trying to lead an evolution single-handedly; it's usually too complicated to pull off and sustain. Big changes (like industry game changers) require strong, enterprising partnerships.

Finding like-minded leaders is a great place to start when it comes to exploring ideas, finding solutions, and forming partnerships to develop better services.

The residential real estate appears very much on the verge of massive disruption, and cooperation is cornerstone of that transition.

It's your industry; disrupt the status quo by taking its future into your own hands.