

*The Value of*

# CUSTOMER RELATIONSHIP MANAGEMENT

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Technology Enhances  
Personal Relationships



**Contactually**

*“Relationships are your greatest asset. How you organize and access them sets you up for success and allows you to receive the most value.”*

**ZVI BAND | CEO CONTACTUALLY**

## **EXECUTIVE SUMMARY**

Technology in real estate will continue to evolve including the ways transactions are handled; however, the human side of the business will remain.

Human beings have a natural limit of how many contacts they can actually track and engage with; the average user's database with Contactually is more than 1,700 contacts.

CRMs are essential to managing relationships – and smart CRMs can surface opportunities that otherwise might be missed.

## **3 WAYS TO MAXIMIZE THE VALUE OF YOUR DATABASE**

**Centralization:** Aggregating contacts from various sources into one location is necessary for the entire network to be accessed. Ideally, contacts should be available from both laptop and mobile for easy access.

**Organization:** Clients should be organized into broad groups based on potential value; leads, pasts clients, and sphere of influence are just the start of how databases can be configured to best serve the agent.

**Prioritization:** Agents who manage contacts based on prioritization level see a greater frequency of outreach to the top clients most likely to bring them revenue, while keeping the number of reminders to a manageable amount.

## INTRODUCTION

Businesses looking to grow are often balancing multiple needs of the organization. They need to build productive and efficient processes, scale the business, and boost customer experience; and technology can assist in all of these areas. **But technology should be used to enhance personal relationships, not replace them.** People and personal relationships matter to organization success.

So how does one determine the “value” of those relationships? A relationship may help create new client contacts and referrals, serve as mentor or mentee, or exist as a current client or confidante. For a contact who assists in developing prospects, the return on investment for time spent may be a sensible metric to apply. In many cases, relationships evolve over time from one role to another impacting both immediate and long-term value.

## RELATIONSHIPS ARE ESSENTIAL TO REAL ESTATE

In real estate, relationships assume a critical place of prominence. Real estate brokers and agents need a way to manage, organize, and prioritize their contacts in order to maximize the value they provide and deliver high-quality client care.

While technology will continue to advance the real estate industry and contribute to the speed and growth of transactions, **the human side of the business will remain.** Purchasing (or selling) a home, like other large financial decisions, is notorious for being highly complex and highly emotional. Customers rely on the agent to educate, interpret data and trends in the market, and serve as an ally during the entire process.

The experience for a buyer or seller is best when it is customized to each client. Some relationships require a greater frequency of interactions or higher-touch interactions (like in-person meetings), while others may be highly transactional. No two customers will require the exact same level of service nor provide the same value back to the agent.

Maximizing *current* value should never be enough for real estate professionals. For the broker or agent to do well, they must constantly be nurturing their relationships to optimize future value.

## WE AMASS MORE CONTACTS THAN CAN SUCCESSFULLY ENGAGE

When examining the different kinds of value contacts create, it becomes clear that not all contacts should be weighed equally. The research of anthropologist and evolutionary psychologist Robin Dunbar supports this concept of prioritization.

Dunbar found that the highest number of people to whom a person can put a name to a face is about 1,500. Meanwhile, the number of friends a person can have in a social group is limited to about 150, and the number of very close friends a person can have might be limited to as few as five. In a social media landscape that might allow as many as 5,000 network contacts, those numbers seem minuscule.



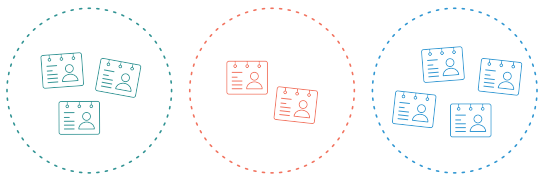
*Contactually users have an average of 1,720 contacts – more than someone can manage without assistance, according to Dunbar.*

*Contactually organizing principles:*  
**BUCKETS** *trigger reminders and automate workflow*  
**TAGS** *are labels to categorize and sort*

## **EFFECTIVE RELATIONSHIP MANAGEMENT REQUIRES A SYSTEM OF CENTRALIZATION, ORGANIZATION, AND PRIORITIZATION**

Centralization is the first step of proper contact list management. Aggregating contacts from various sources into one location is necessary for the entire network to be accessed. Second, contacts must be organized. It is particularly important to identify and group the most valuable connections that exist within the larger database of contacts.

For real estate brokers and agents, this means starting to organize clients into broad groups based on potential value: leads, pasts clients, and sphere of influence. For those looking to get more granular, sub-groups may be created based on the type of property they want to find, purchase price range, or other factors that impact how users allocate their time and resources. Additionally, partners and vendors may be grouped based on geography, area of specialized expertise, and other attributes that affect who is the right person for any given situation.



*The most common buckets:*

**PAST CLIENTS** 27% • **SPHERE OF INFLUENCE** 17%

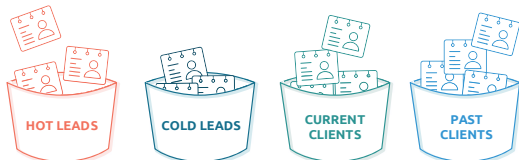
**CURRENT CLIENTS** 14% • **HOT LEADS** 12%

**COLD LEADS** 9%

## BUCKETS PROVIDE FOCUS AND HELP MAXIMIZE VALUE

When users build the right buckets, they can direct their efforts efficiently. Using outreach emails and tracking contacts helps users to nurture and build relationships over time. A system of buckets makes it easy to perform a regular assessment of assigned priorities when evaluating the contact history and associated information on the record. This process of regular assessment keeps the network manageable.

Established buckets lend themselves well to new contacts, and the more clients do to slot new contacts into the appropriate categories, the more efficient they will be in moving forward. Business professionals who manage contacts based on prioritization level see a greater frequency of outreach to the top clients most likely to bring them revenue, while keeping the number of reminders to a manageable amount.



## CONCLUSION

Categorization and prioritization of your contact list creates more than efficiency; it also creates the freedom to focus time and mental energy on the relationships themselves. That's the key for successful real estate professionals.

Setting up the right organizational principles allows users to extract maximum value from current contacts and creates a system through which new contacts avoid being lost in the shuffle. **Continued growth comes through manageable, repeatable processes that maintain efficiency over time.**

Organizing contacts should not create an unwieldy dataset. Working with a company like Contactually allows busy professionals to keep track of contacts who provide value and focus on the relationships that matter most. When you find a relationship management system that works for you, stick with it to sustain value and long-term success.



*Users generally think of follow up in terms of 30/60/90/120 - day intervals – those comprise two-thirds of all follow-ups in Contactually.*

