

## Part Three: A Statewide Adoption Strategy

### [Key Success Factors]

Review of a recent study of past and current TM implementations (Stephen Yanoviak, *Transaction Management Research*, January 2007) has helped us understand some of the important factors affecting adoption of a statewide TM system. We believe the greatest success will be achieved by brokerage firms, AAR, and the TM vendor forming a strong partnership. Each partner should have clearly defined roles.

#### **The Role of Brokerage Firms**

- The decision to adopt transaction management should be made by the broker, not the agents.
- It is important that brokers require all (or nearly all) transactions be processed through the system. Where paperwork is limited (i.e., leasing), the broker may exempt some transactions from the system.
- In the beginning, some brokers may add additional staff or new duties may be given to existing staff. Ultimately, efficiencies of the system should offset or reduce a firm's overall headcount related to transaction management.
- Brokers should partner with AAR in educating agents about the advantages of the TM system.
- Firms should start with the most basic level of TM: document storage. Firms that have already accomplished Phase 1 or Phase 2 TM systems may jump directly into Phase 3.
- Brokers who currently charge agent fees for processing transactions will be able to continue to charge, while delivering enhanced services to agents.
- Brokers already using a different TM vendor than AAR's may choose to stay with that vendor or may lower costs by going with AAR's vendor. We do not expect to "credit" brokers who choose not to use AAR's TM vendor. Brokers who decide to stay with their vendor will likely enjoy a stronger bargaining position when their contracts come up for renewal.

### **The Role of the Association**

- The current plan is for AAR to provide a statewide TM system as a member benefit, including training, promotion, and ongoing support.
- AAR must find a TM system vendor who provides stability and reliability.
- AAR will focus primary efforts on the broker, not the agent. However, the association will also provide brokers with educational materials to help them promote and justify adoption of a TM system to their agents.
- AAR must be seen as the provider of the TM system. The association will be the first point of contact for training, service, and support.

### **The Role of the Vendor**

- The vendor will provide a flexible, user-friendly system that supports AAR's phased approach to implementing TM systems and allows brokers to run their businesses as they deem necessary.
- The vendor will assume the role of technology provider and remain in the background.
- For at least the first year, the vendor will provide direct support in terms of promotion and training, working under the direction of AAR.
- The vendor will provide second-tier support service for issues that can't be handled by AAR.

This is excerpted from a paper prepared by Ron LaMee, Vice President of Information Services for the Arizona Association of REALTORS®, using segments from Stephen Yanoviak's report, *Transaction Management Research*, January 2007.

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