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## HomeSmart International

Reinventing the  
Real Estate  
Brokerage  
Model

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HomeSmart International  
CEO & Founder Matt Widdows  
with their new, innovative  
backlit LED yard sign

{Broker Spotlight}

# Reinventing the Real Estate Brokerage Model

**HomeSmart International** *by Maria Patterson*



HomeSmart International  
CEO & Founder Matt Widdows  
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In 2000, when Matt Widdows founded the HomeSmart brand in Phoenix, Ariz., it wasn't for any other reason than to make his own life easier as a real estate agent. Widdows had worked for other real estate companies in the Metropolitan Phoenix market and always felt like he couldn't quite get what he needed out of those companies as an agent. So, in founding the HomeSmart brand, Widdows set out on a path to change how the real estate brokerage business was operating. Fast forward to today, and he's innovating the real estate industry again.

## A Revolutionary Brokerage Concept

Historically, real estate brokerages charged high fees to be able to provide any sort of service to agents due to the high cost of staffing and outsourced technology systems. Widdows found this structure to be flawed and committed his early days as a brokerage owner to finding a solution for agents that enabled them to pay lower fees, receive outstanding service and company-owned, proprietary technology systems that are cutting-edge, easy-to-use and integrated. Within a year, the concept had recruited 100 agents organically to the HomeSmart brand. By 2004, just three years after launching the company, HomeSmart boasted almost 1,000 agents in the Phoenix Metropolitan market. By 2005, HomeSmart had broken into the top 10 and claimed number six marketshare with more than 1,500 agents.

"I believe our initial growth came about for the same reasons I started HomeSmart in the first place; agents were looking for something that other brokerage companies just weren't able to offer," says Matt Widdows, founder and CEO. "From the very beginning, we've given agents a place to focus on their real estate businesses, with an extremely high level of service at a low cost."

HomeSmart continued to grow rapidly, even during the recession when nearly every other real estate brokerage across the country contracted, with an astounding 4,000 agents and No. 1 marketshare in the Metropolitan Phoenix market, in both transaction sides and sales volume. As the brand grew with such amazing speed, it became clear that the systems Widdows and his team had implemented were designed for scalable growth. One such system

included an internal paperless transaction management system (built and used exclusively by HomeSmart since 2008) that processes nearly 20,000 transactions each year in the Phoenix brokerage alone. By 2009, HomeSmart was completely paperless with 100 percent agent adoption in less than six months.

One of Widdows' first innovations was the launch of HomeSmart's Virtual Reception technology in 2001. This enables each branch office front desk to be hosted by a single reception center in the company's headquarters office. In each HomeSmart branch office in Phoenix, guests are

greeted upon entry by a live person at the main office reception center on a 50-inch LED, flat-screen television. The virtual receptionist greets the customer, can lock and unlock doors, page agents within the office, and more. Now, this same technology is being launched for HomeSmart brokerages nationwide. The launch and implementation of this reception system made HomeSmart the first brokerage in the country to do something so groundbreaking with this important office function.

"When we launched the virtual reception [Smart Reception®] in our offices, the local competition

### What Franchisees Say about HomeSmart

"After meeting Matt [Widdows] and hearing his vision about the changing industry and how HomeSmart is ahead of the curve, it was a no-brainer for me to join the HomeSmart brand. To me, the operational efficiency and integrated technology platform is a driving force behind the successful growth of my company."

- **Randy Rector**, broker/owner of HomeSmart Evergreen Realty  
(Brea, Calif./Los Angeles Area)

"Over the course of my 30 years in the real estate brokerage business, I have worked with multiple brands. Most franchisors sell you a brand and then take a 'hands-off' approach, but at HomeSmart, I know the company is vested in my success by helping me manage the day-to-day operations of my business and working to consistently make the real estate transaction and brokerage business simple. I feel like I have a true partner in my business and not just a franchisor."

- **Bill Flemming**, broker/owner of HomeSmart Connect  
(Arlington Heights, Ill./Chicago Area)

"Bringing innovation, support and a responsive real estate network to my agents is always my professional goal, and aligning my brokerage with HomeSmart International created synergy and an environment for me to do just that. The HomeSmart brand and leadership are perpetually moving forward for future growth and helping brokers and agents achieve success. HomeSmart makes sense in every way, and I want to continue to grow the brand in Texas in a BIG way."

- **Dendea Balli**, broker/owner of McAllen HomeSmart RGV  
(McAllen, Texas/Austin Area)



### Poised for Exponential Growth

What HomeSmart is doing by combining centralized services and an integrated system for franchisees and agents in a low-cost model is unlike what any other franchisor in the industry is offering today. And, it's intentional.

"As a company, we've never really worried about what the competition is doing because we'd rather focus on what it is the broker of today and agent of tomorrow need to support their businesses and grow," says Ashley Bowers, HomeSmart International chief operating officer.

HomeSmart International has certainly poised itself for significant growth in the coming years by creating a structure that can expand with the brand, implementing new and innovative marketing strategies and leveraging the company's strength and expertise in technology and systems.

pointed to it as a negative, but we found that our own agents saw it as cutting-edge and really understood that innovations like this are what set HomeSmart apart from the competition," says Widdows.

### Service is Priority One

Service is key at HomeSmart with

internal systems tracking every single touch-point. Widdows himself reviews each comment card from every transaction and from agents who leave the company (hint, very few leave). The brokerage staff at HomeSmart is so dedicated to maintaining a high level of service that emails from agents are returned

in an average of 4.6 minutes and phone calls rarely even go to voice-mail. The HomeSmart brokerage in Phoenix also has one of the lowest percentages of claims at below 0.10 percent, a feat unheard of with nearly 5,000 agents and 20,000 closed transactions per year. Widdows attributes this to the experience of HomeSmart's agents, the sophisticated transaction management process and the accessibility of his brokerage staff.

"Customer service is critical and our agents and franchisees are our number-one customers," says Widdows. "When we serve our agents and meet their needs, we're enabling them to do the same with their clients; just ask any of our agents about our service and support."

### A New Approach to Franchising

After five years in the brokerage business, and with a booming company quickly rising to the top, Widdows began receiving inquiries from brokers across the United States about whether they, too, could launch the HomeSmart brand in various markets. Thus, HomeSmart International was born, franchising systems were created and the first franchisee came on board in 2006 in Temecula, Calif. HomeSmart International's initial foray into franchising was broker-led, with no marketing of the brand being done outside of word-of-mouth. However, in 2010, Widdows and his team launched a dedicated franchise sales strategy, which has led to nearly 50 franchisees coming on board under the HomeSmart brand in recent years. Today, there are HomeSmart offices in 13 states and one overseas country.

"When it comes to franchising, our entire emphasis is to make it easy for brokers to be successful," says Ashley Bowers, HomeSmart International chief operating officer.

As a franchisor, HomeSmart In-



ternational has been able to duplicate the success of its Phoenix brokerage and is offering franchisees systems and technologies that are custom to the HomeSmart brand and intended to make owning a real estate brokerage turnkey and profitable.

“So many brokers in the industry see their brokerage as a business that can, at best, break even on its own without ancillary services or other revenue streams,” says Brad Clayton, HomeSmart International vice president of sales. “On the contrary, our HomeSmart system enables brokers to achieve new levels of profitability and business growth with their brokerage business alone.”

From the beginning, HomeSmart has provided an integrated and proprietary system, which requires just one single sign-on entry point and allows brokers and agents to manage their businesses efficiently to focus on profit-producing activities instead of the day-to-day minutiae.

The leadership team at HomeSmart asserts it's the only real estate franchisor that can claim all agents under the brand offer clients the same processes and technology, using uniform back-end transaction systems that make the consumer experience positively consistent, regardless of where in the country they are located.

The integrated system frees the broker up to do what they do best—invest in agent success and grow the brokerage business.

### **Centralized Services to Reinvent the Brokerage Business**

The brand recently launched what it is referring to as its “Centralized Services.” The Centralized Services offering allows broker/owners to select à la carte support and services they want HomeSmart International to provide for them, lowering individual broker overhead and increas-

ing profit margins all while providing higher-touch support to agents and consumers.

“Other companies franchise based on the concept of teaching a broker how to do something and then sending them on their way to do it on their own,” says Bowers. “Our integrated technology and centralized services give brokers the opportunity to capitalize on a proven system and get their lives back. Our franchising approach is different in

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– Matt Widdows  
Founder, HomeSmart

that we will not only educate the broker about how to do something, but we'll take it a step further and actually do it for them.”

“Rather than sending every broker/owner out into the abyss to duplicate what we already know to work, we are providing centralization so we can collectively dominate in each of our existing and future markets,” says Widdows. “Regardless of where a brokerage is at and who owns it, we can guarantee a high level of quality and service in each transaction because of our integrated technology software and centralization.”

### **Centralized Services Unpacked**

**Agent Services:** Serves as front-line support for brokers and their agents and handles anything from technology troubleshooting and submitting files/paperwork to board questions, license renewals and day-to-day customer care. Agent services will essentially handle any agent interaction outside of contract questions.

**Transaction Services:** Is broken into two segments: paperwork and closing. The paperwork team will review files to prepare them for broker review and communicate with agents on missing documents and status of files. The closing aspect will process orders to pay commissions and distributions of funds to agents on behalf of the brokerage once the file has been closed.

**Career Services:** The HomeSmart International career team can handle every aspect of a broker's recruiting activities, including marketing, prospecting, setting appointments and on-boarding new agents.

**Smart Reception:** Offers virtual reception capabilities for the brokerage office. A virtual receptionist (a live person located at the HomeSmart International headquarters) greets clients and assists agents through live interaction over the Internet. This serves as a back-up receptionist for the brokerage.

### **A Franchising Concept and Brokerage Model Unlike Any Other**

All of this translates into a value proposition HomeSmart is confident franchisees can't find anywhere else—driving recruiting forward and creating an environment where brokers are able to break through growth barriers they previously experienced in their businesses. **RE**

For more information on HomeSmart International, visit [www.HomeSmartInternational.com](http://www.HomeSmartInternational.com) or [www.facebook.com/HomeSmartFranchise](https://www.facebook.com/HomeSmartFranchise).

## Technology Integration Lays Foundation for Continued Success

by Paige Tepping

### **Skip Bettarel**

Broker/Owner  
HomeSmart Legends  
Temecula, Calif.

**Region served:** Southwest Riverside county

**Years in real estate:** 45

**Number of offices:** 2

**Number of agents:** 175

**Favorite part of your job:** Seeing and assisting in the success of our salespeople.

**Top tip for staying organized:** My goal for the end of each day is to have as empty a plate as possible so that I can start the following day with a clean slate. I also prioritize my tasks so that I take care of the most important things first.

**What are some of the current trends you see in your market right now?**

Not only is our inventory increasing, when it comes to time on market, that's a little longer as well. I get the sense that there isn't a lot of urgency and confidence among today's consumers, which may be attributed to prices having increased too high, too fast. That being said, the number of short sales and bank-owned properties are few and far between, and interest rates remain solid. All in all, our marketplace is stable and we're doing well.

**How do the integrated technology systems offered by HomeSmart help the entire brokerage work smarter, not harder?**

Industrywide, more people are working remotely today than ever before, and one of

the greatest features and benefits that led me to want to join the HomeSmart brand back in 2005 when the office opened was the technology they offered. From minimizing redundancy and making life easier for our agents, our administrative team, my business partner and myself, to the tools we have access to via HomeSmart the entire operation runs much smoother for everyone involved. Not only do we have access to a wide array of easy-to-use tools, they all integrate together to help us get things done more efficiently, while improving our marketing strategies at the same time.

**Why are integrated technology systems so important, especially in today's market?**

Since so many people in this industry work out of their homes today, integrated technology systems are beneficial as they allow real estate professionals to connect from wherever they are. Whether they're at home, on the road or on vacation, they can still do a good job for their customers and clients while keeping everything in order. It makes my life as a broker more manageable so I can focus on developing my agents instead of implementing backend systems.

**I understand HomeSmart offers a wide array of technology systems, including single-sign-on platforms. In what ways do these platforms benefit the brokerage?**

Our agents are all set up with their own login to a program called RealSmart Agent (RSA), while myself and the administrative team use RealSmart Broker (RSB), which enables us to upload documents and monitor and track them throughout the transaction. Through RSA, agents have access to any and all the tools they need to help with their marketing strategies and sales level. They can also upload documents into the system that need to be seen by myself and the administrative team via RSB. The entire system works seamlessly together and is unlike anything else I've seen during my tenure in real estate.