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Chris Stuart
CEO, Berkshire Hathaway
HomeServices

Gino Blefari
CEO, HomeServices
of America; Chairman,
Berkshire Hathaway
HomeServices

CONSUMER STRONG

Berkshire Hathaway
HomeServices Network
Embraces Homebuyers
and Sellers for a Lifetime
of Service

August 2019
\$7.95

Strategically Evolving



The real estate industry has seen a lot of movement at the chief executive level over the past couple of years. Depending on the organization in question, sometimes the change is a move to disrupt—to shake things up with an outsider's perspective or an infusion of new blood. And

sometimes the change is about strategic succession—a well thought-out plan for evolving a company for the future.

That's exactly the case at Berkshire Hathaway HomeServices, where Chris Stuart has taken the leadership reins from Gino Blefari. Our July and August issues actually tell the story of a continuum of succession: In July, we covered the evolution at HomeServices of America, where Ron Peltier passed the CEO baton to Gino as Ron stepped into the chairman's role. This month, Gino passes the Berkshire Hathaway HomeServices CEO baton to Chris, as Gino becomes chairman of the brand.

Chris promises to bring to Berkshire Hathaway HomeServices exactly what many of the industry's recent CEO shake-ups are striving for: innovation and relevance. Thanks to his years at Oracle, Chris has a Silicon Valley expertise that is proving invaluable in today's real estate environment. But what makes Chris unique is that his technological background is blended with his well-steeped real estate career at Intero. And that's why his focus is squarely on serving agents and consumers.

As Chris explains in our exclusive cover story interview this month, "We should be vigilant and persistent in our pursuit of constant innovation. However, the output of our efforts should create a better experience for our clients that leads to a healthier industry that is sustainable." Find out how he plans to continue to fuel and energize the Berkshire Hathaway HomeServices network—and read his insights on the industry as a whole—beginning on page 28.

We also hope those CEOs among you plan to join us at RISMedia's CEO Exchange at the Marriott Marquis in Manhattan next month (Sept. 18 & 19). This invitation-only annual gathering of real estate's Power Brokers and top executives is an unparalleled exchange of viewpoints and strategies. Visit rismedia.com/rismedia-ceo-exchange for details or email cgallucci@rismedia.com to see if you can still grab a spot.


Wishing you continued success,



John E. Featherston
CEO & Publisher

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Archives

CONSUMER STRONG

Berkshire Hathaway HomeServices Network Embraces Homebuyers and Sellers for a Lifetime of Service

by Paige Tepping



**Chris Stuart (left),
CEO, Berkshire
Hathaway
HomeServices, and
Gino Blefari, CEO,
HomeServices of
America; Chairman,
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HomeServices**

During the most recent Berkshire Hathaway HomeServices convention in Las Vegas, HomeServices of America CEO Gino Blefari introduced Chris Stuart as his Berkshire Hathaway HomeServices CEO successor. The response to this high executive announcement from the more than 6,000 network enthusiasts in attendance at The Colosseum at Caesars Palace was expectedly respectful and polite.

The next morning, however, after Stuart delivered his keynote address, the level of intensity and unabashed enthusiasm, reflected in the thunderous and sustained standing ovation to Stuart's transformative speech, was truly remarkable—even by Las Vegas standards. The spontaneous ovation based upon Stuart's strategic outlook for the brand and network seemed to suggest that the network was now adding their resounding stamp of approval to Blefari's decision to elevate Stuart to the helm of the globally recognized franchise.

Although Stuart has gained widespread respect and support during his three years as a high-level Berkshire Hathaway HomeServices executive, his speech that day seemed to raise the audience's respect to a level of reverence.

Stuart's comprehensive, multi-media and animated (he made a ceremonial entrance performing a moon-walk!) analysis and explanation of what is truly taking place in the industry and marketplace today, along with his vision for the future of Berkshire Hathaway HomeServices, was on the level of visionary discourse one typically only sees during the very best TED Talks.

To obtain greater detail of his expanded thinking on potential disruption, new business models and, most of all, his strategic vision for Berkshire Hathaway HomeServices moving forward globally, we interviewed Stuart after RISMedia's Real Estate Newsmakers event in Washington, D.C., this past May.

RISMEDIA: How does your role as CEO of Berkshire Hathaway HomeServices interact with Gino Blefari's role as CEO of HomeServices of America?

CHRIS STUART: I believe that my relationship with Gino, rooted in the many years of working together on the growth of the company he founded and led, Intero, and now the five years of helping to implement his vision and operational genius here at Berkshire Hathaway HomeServices, has forged a relationship of supreme trust and respect.

I have seen many companies and corporations—both within real estate and during my years as an account executive with Oracle Corporation advising numerous Fortune 500 companies on their technology needs—where flawed relationships and a lack of trust amongst the executives has a deleterious impact on the organization.

RISMEDIA: What do you admire most about Gino?

CS: His humility. Gino was the No. 1 agent in a county of almost 2 million people, the No. 1 manager and co-owner of a multi-office company that had a wildly successful acquisition, and then the key operator of one of the world's largest and most successful real estate companies.

On the heels of these exceptional accomplishments, Gino went on to found and grow from scratch a company, Intero, that was among the Top 7 brokerages in the country prior to its wildly successful acquisition by HomeServices of America. Additionally, his impact on Berkshire Hathaway HomeServices has been epic, as it will now be as the CEO of HomeServices of America.

And despite a virtually unrivaled career of accomplishments, Gino remains completely modest and totally collaborative.

Wherever Gino has gone, he has created a culture of confidence, collaboration and accountability. His dedication to helping other people grow, along with his approachability, is unlike anyone else I have ever met.

“In the Information Age, real estate professionals need to showcase their knowledge, wisdom and skills along with exceptional service. They must do so in a manner that always reminds consumers and clients that our members are here to advise and serve them.”

— CHRIS STUART
CEO, Berkshire Hathaway HomeServices

RISMEDIA: How are you different from Gino and other industry CEOs?

CS: I know some of our industry's brand leaders, and others I respect from a distance. I believe that what makes me different is my combined background. Specifically, my years at Oracle, where we worked in teams of high-tech solutionists, combined with my many years in real estate brokerage, enables me to not only understand everything that goes into building winning real estate cultures, but also, the way in which emerging technologies must be effectively integrated.

Typically, real estate brands either have leaders with a tech or corporate background, where they require significant help in understanding all of the nuances of real estate brokerage, or CEOs with great real estate experience who may have profound gaps in their understanding of where technology can really drive an impact to their organizations and our industry as a whole.

I feel fortunate to have had deep exposure to both disciplines, as each environment clearly needs to be strategically integrated.

"As we continue to wade through the various models and opportunities available to the consumer, I believe the role of the professional real estate salesperson is elevated, not diluted or disintermediated."

- CHRIS STUART
CEO, Berkshire Hathaway HomeServices

RISMEDIA: Speaking of your background, we understand that your becoming CEO of Berkshire Hathaway HomeServices would have been considered by Vegas oddsmakers as a long shot.

CS: It's certainly been a fun ride! I guess you could look at my upbringing and life's journey on paper and call me a long shot. My mom was 17 when I was born, and my dad was never in the picture. Coming from subsidized apartments as a youngster to this role was certainly not the well-groomed path of some corporate executives.

And that's what I love about this country and the opportunity to work hard and compete in the business world.

And specific to our industry, I believe my story is pretty common. There are so many brokers and agents who have also beaten the predictive data odds to become successful based on their hard work, resourcefulness, resilience and other key qualities.

This is one of the reasons I am so passionate about helping to keep the real estate industry, our brand and our agents viable and successful for years to come.

RISMEDIA: Chris, during your CEO acceptance and keynote speech, you brought onto the stage a professional magician...why?

CS: To humorously illuminate how our industry's use of the "disruption" label is, in my opinion, more distracting than representative of meaningful change.

Over the last few years in all of my travels throughout our network, and at essentially every industry convention, the word "disruption" inevitably came up.

Not only was the word introduced incessantly, it was being brought up in a foreboding manner.

I believe that one of my responsibilities as CEO of our brand and system is to properly contextualize threats, be they real or imagined.

RISMEDIA: Can you be more specific about your interpretation of the industry's view on disruption?

CS: Disruption is very real. I began my career in the mid-'90s within the technology industry and had an opportunity to work very closely with companies of all sizes in a variety of industries. From upstart Silicon Valley dotcoms to some of the largest enterprises in the world, technology's impact as a transformative force of industries isn't a new phenomenon.

Virtually without exception, when you look at the result of technology-centered disruption in most industries, it creates very real and substantial business outcomes that are largely based on a better experience for the consumer. And the result of elevating the experience for the consumer creates a better outcome for the businesses who helped champion the disruption.

When I look at the impact of disruption within the real estate industry, I don't see the same clarity of outcome that I observe in other industries.

RISMEDIA: Are you saying the industry need not be concerned about disruption?

CS: No, we believe the industry should be vigilant and persistent in its pursuit of constant innovation. However, the output of those efforts should create a better experience for real estate clients that leads to a healthier industry that is sustainable.

What I am saying is that the industry has been obsessed with the totality of the word and has not devoted



Chris Stuart opened the brand's Las Vegas conference with a ceremonial moonwalk.

ed the necessary attention to properly understanding where the real threats are, and how the real estate industry should respond.

RISMEDIA: What are these threats, and how should we respond?

CS: It's certainly not my intent to speak for the industry. Obviously, there are certain strategies that must remain within Berkshire Hathaway HomeServices.

I do believe there are a few areas where the industry could significantly improve with a renewed focus.

First, the industry needs to become much more consumer-centric.

Second, real estate professionals need to expand their value from one that is mostly tactical to one that is decidedly more relational.

Third, we need to help our highly dedicated and professional real estate sales professionals in our network do more to express their value to consumers beyond just the transaction.

RISMEDIA: Without getting into brand secrets, what initiatives are you personally introducing to your brand that both address these needs while also differentiating the Berkshire Hathaway HomeServices brand and your network agents?

CS: My first major initiative was to better define what our brand exemplifies to our network and consumers.

I introduced a campaign that now characterizes Berkshire Hathaway HomeServices as the Forever BrandSM, and all of our network agents as Forever AgentsSM.

RISMEDIA: Tell us about the significance of this nomenclature.

CS: I remember the year before I became CEO, watching as numerous network agents were asked on video why they liked being in the network and they all said, "I love the Berkshire Hathaway HomeServices brand."

Yet I sensed that they could not specifically articulate why. In other words, they were more attributional about the brand than definitional.

Berkshire Hathaway HomeServices was clearly who we were. What was not as clear was what we did that was different than other brands.

The Forever BrandSM and Forever AgentSM mantra and mission announces to the public that our network is not merely transactional, but lifetime relational.

To the network agents, it conveys that our brand and network—and, most importantly, our network brokers—aspire to develop and enrich company cultures where their agents can build and sustain a lifetime career in this industry.

RISMEDIA: Well that explains the relationship-building part of your vision. How about your consumer-centric mission?

CS: You cannot be a forever agent, forever broker or forever brand, unless you are relentlessly focused on keeping the consumer's interest as the top priority.

While the need to keep the consumer front and center must be met with multimillions of dollars invested into technology, education, marketing and community participation, it needs to begin with an appropriate

and strategic declaration or mantra. To that end, I am introducing to our entire network the concept of “Consumer Strong.”

RISMEDIA: What do you mean by that theme?

CS: That we want our members to inform, educate and empower real estate consumers.

In the Information Age, real estate professionals need to showcase their knowledge, wisdom and skills along with exceptional service. They must do so in a manner that always reminds consumers and clients that our members are here to advise and serve them.

RISMEDIA: Your third goal is to help elevate the perceived and real value of your network agents. How will this be done?

CS: This will be accomplished when our network agents become fully educated regarding what it means to be a Forever AgentSM and accept a “Consumer Strong” mission. The collectivized buy-in of our consumer-centric mission will have a positive compounding impact to our brand strength. The brand strength will solidify Berkshire Hathaway HomeServices’ network agents’ position as real estate trusted advisors.

I believe that the entire industry has to do more to insert its advisory value before, during and after a transaction in order to remain relevant. I also believe that our brand makes this greater real estate role our birthright.

Our members must have value that goes beyond facilitating transactions, and it begins with reimagining a greater role for real estate professionals.

RISMEDIA: Chris, what are your thoughts regarding the variety of models, such as iBuyer and other forms of disruption to the industry?

CS: Again, it’s first a matter of distinguishing what is disruption and what is distraction. To me, the ultimate litmus on the topic is: Are we making things better for our consumers? And, can we measure that result in the form of homeownership rate, first-time buyer rate, length of time to close, complexity in the process, etc.?

As we continue to wade through the various models and opportunities available to the consumer, I believe the role of the professional real estate salesperson is elevated, not diluted or disintermediated.

In other words, the very fact that there is so much change and variation that consumers must consider is the very reason consumers should turn to a trusted real estate advisor, not a cause for them to “go it alone.”



Stuart incorporated magic into the annual conference to illustrate that ‘disruption’ is often just distraction. (Magician’s assistant: Joan Docktor, Berkshire Hathaway HomeServices Fox & Roach, REALTORS®)

And specific to iBuyers, being a Forever AgentSM, a real estate trusted advisor who’s passionate about our “Consumer Strong” mission, our network members should be prepared to advise consumers on the entire continuum of their options and choices.

Among those options is the opportunity to have institutional investors buy the home as an alternative to the full conventional brokerage process running its course.

This marketing alternative, if done honorably, can provide many consumers with an option that has never been as widespread as it may now become.

At the very least, our members need to be able to advise consumers of the pros and cons.

At the very most, they will provide this service, but only where it can be meticulously and ethically executed and where there is complete transparency in the process.

RISMEDIA: Let’s now talk about your plans for global growth.

CS: Michael Jalbert, our EVP for Global Field Operations, represents our brand worldwide and oversees a team of what I believe to be the finest franchise sales consultants ever assembled. Now that we have established an immutable footprint in America, we are fully engaged in bringing our brand, technology and operat-

ing systems to the world.

Our Berkshire Hathaway HomeServices network brokerages in Germany, England, Italy, Spain and Dubai are stellar examples of our brand, and they will soon see many more exceptional brokerages worldwide fly the Berkshire Hathaway HomeServices flag, as well.

We see global brokerages joining us because of our unique response to the four major questions we're typically asked:

1. Does our brand have scale in all segments of their market, and does the brand possess a halo effect?
2. Is there global scale to the franchise system's technology, marketing, education and overall services?
3. How does the strength of the existing network and fellow brokerages aid in enriching the operation and brand value?
4. What does the brand's leadership and vision represent that will aid in the global franchisee's future?

And to date, the answers we've provided have been greeted with a resounding acceptance as noted by our meteoric growth in the key global markets we're focused on presently.

RISMEDIA: And how will this be accomplished?

CS: One of the methods, and as a part of our Forever AgentSM campaign, is the Berkshire Hathaway HomeServices Real Estate and Lifestyle Planning Guide.

This consumer-centric program, conceived by Allan Dalton, our SVP of Research and Development, seeks to ensure that network Forever AgentsSM insert themselves in a value-enhancing and relational way long before the transactional stage and well after it. It is just one of our forever plans to add substance and credibility to the Forever AgentSM vision and mission for our network and brand.

RISMEDIA: Speak to your commitment to diversity.

CS: For me, all-inclusive real estate is not just a matter of good business, but, much more significantly, it is a matter of morality. We participate in all segments of the National Association of REALTORS®, and our legacy of inclusiveness will also help propel our global growth.

We're incredibly fortunate to have Teresa Palacios Smith as our vice president for Diversity and Inclusion. Teresa is an industry force for diversity, inclusion and community outreach, and her input and analysis help us set policies and create programs for our network focused on the objective of homeownership for all who seek it.

RISMEDIA: In closing, is there anything else you'd like to share?

CS: It's so easy to get caught up in the tactical whirlwind and industry-context of the moment. Clearly, the current industry narrative is one of great change and disruption, which is creating a lot of uncertainty about the future for the real estate sales professional.

Despite the media hype perpetuating this tone, I am very confident in the industry's future because of the change and because of the trusted advisory role that I believe consumers will continue to value.

“We have a clear, long-term vision of who we are and where we want to be, and we know that a great many real estate sales professionals will value that journey because of the value that it will extend to the consumers they serve.”

— CHRIS STUART
CEO, Berkshire Hathaway HomeServices

However, for any sales professional who isn't affiliated with a firm that is actively and passionately expanding and enriching their value in the eyes of the consumer, there could be some major headwinds in store for you.

I see a lot of models intent on disintermediating the agents, and the agents are running to these companies believing those models are the future. But the future those companies are attempting to create may not be so friendly to the agents who are feeding them today.

We have a clear, long-term vision of who we are and where we want to be, and we know that a great many real estate sales professionals will value that journey because of the value that it will extend to the consumers they serve.

And in the end, that's what matters most—serving consumers and communities. **RE**

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