Five Ways Cloud ERP Helps Brokers Navigate Real Estate Complexity

Running a successful real estate brokerage can be a lot like herding cats. Whether it's a single office operation, a regional brokerage or a multinational franchise, the daily challenges include working with budget constraints, managing a workforce of independent contractors, fending off non-traditional competitors and staying solvent in fluctuating market conditions.

To overcome these obstacles, real estate companies need robust technology that simplifies their workflows and supports their core missions of putting the dream of homeownership within the reach of as many people as possible.

Here are five reasons every real estate brokerage needs a cloud Enterprise Resource Planning (ERP) platform:

1. Too many manual systems. Most real estate companies rely on a combination of Excel spreadsheets and a variety of QuickBooks applications to run their operations. Where these systems may have sufficed when the companies were small and only managing a handful of agents, they fall out of favor as organizations grow both in scope and size. For larger, multilocation companies running on these rudimentary systems, the data gaps and other problems presented by these solutions usually translate into a major drain on time, money and efficiency.

2. The industry is constantly evolving. Like most service industries, real estate has changed significantly over the last decade. With 97% of all homebuyers now using the internet to search for homes, the digital trend has been one of the biggest forces of change for brokers and agents alike. To adapt to these shifts, some companies provide platforms like Shopify to agents to market themselves, showcase their properties and interact with customers online. These and other "patchworked" technology approaches are holding real estate brokerages back and hurting their profit margins.

3. Processing agent commission payments is a pain. Without a unified ERP system, it's difficult for brokerages to update agents on their payments or process those payments quickly and efficiently. They also have no central repository for 1099 tax information and form distribution. "The commission and 1099 distribution process is a nightmare for real estate companies," said Jeff Hancock, CEO of Allied Cloud, a NetSuite Alliance Partner. "Not only is it time consuming, but there's also a lot of room for error."

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4. No easy way to track sales and compensation. Dependent on Excel spreadsheets and basic accounting systems, real estate brokerages have no reliable point of reference for tracking home sales, reviewing team performance and making good decisions. Cloud ERP eliminates the need for manual data manipulation and spreadsheets and provides visibility across the entire organization.

5. Business complexities abound. As a real estate brokerage grows, the intricacies and complexities expand right along with it. Opening new offices, moving into new customer markets and adding new agents to their teams increases responsibilities exponentially. Managing agents on the front-end and financials on the back-end requires a unified technology approach and the integration of ecommerce, customer relationship management (CRM) and other platforms. "Companies need to be able to see financials across all of their different entities, locations and team members," said Hancock. "This is where cloud ERP really shines and allows brokers to address the unique aspects of running a real estate business."

Relieving Pressure

With NetSuite as the central platform, Allied Cloud works with a broad range of real estate companies that want to improve their operations and technology. Using the SuiteSuccess model, the NetSuite Alliance Partner can usually help brokers meet that goal within 90 days or less, with some implementations taking up to four to six months, depending on complexity and customer requirements.

Once in place, the combined solution expands NetSuite's functionality and includes various permission levels for different user types, giving managing and associate brokers the team visibility they need to be able to make better decisions.