



Innovation Applied

Scott Bateman, CEO at Kolmeo

Elite Agent Transform Program 2021
February 2021



Hi, I'm Scott

- I've spent 20 years in sales, growth & strategy
- I've worked in banking, insurance, real estate & technology
- I've got a couple of Masters degrees focussed on strategy and globalisation & graduated the Advanced Management Program at Harvard
- I lead the team at Kolmeo



Today...

- This will be interactive
- We're going to move really quickly! (it's recorded and you'll get my slides)
- I want your permission to challenge what you believe
- Please turn your camera on & set your view to 'gallery' if possible



**How do we
transform
Banana Real
Estate?**



What's going wrong with the team & what would you change?

What would you do to improve their profitability?

What's your best idea to help Banana RE stand out?



Let's do some rapid reflection!



Samantha McLean

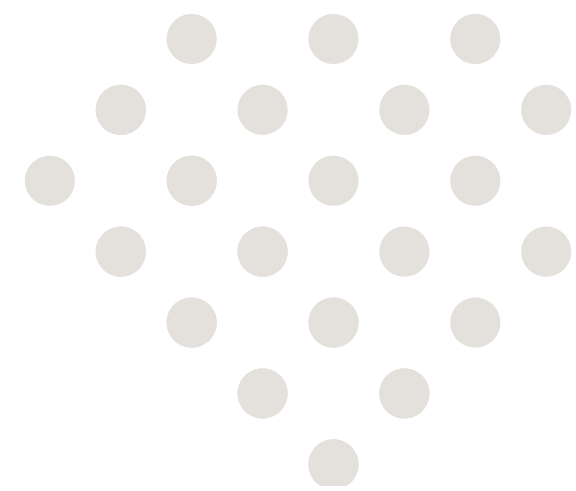


Chris Helder



David Webb

Let's do some rapid reflection!



Claudio Encina



Tara Bradbury



Immy Callister



Andrew Moore

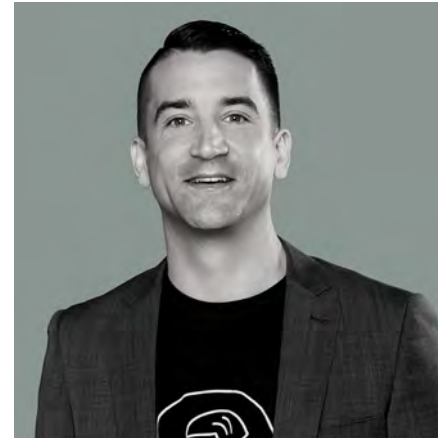
Let's do some rapid reflection!



Tom Ferry



Will Ainsworth



Brock Fisher



Hannah Gill

Let's truly transform your game

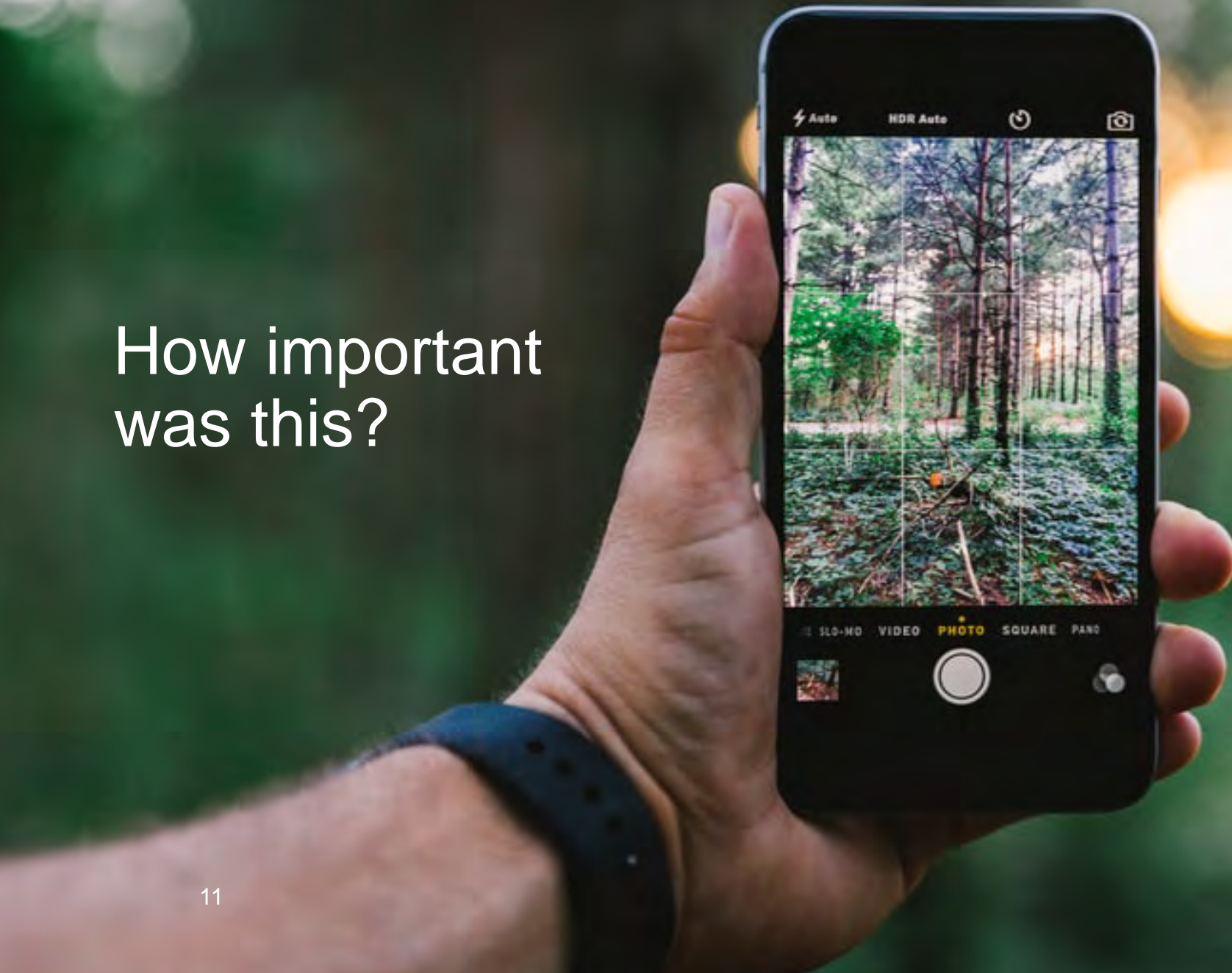
- Big trends and why they matter
- Forget the focus on the 'best service'
- When to ignore your customers
- 'Different' vs 'Better'
- Innovation through pricing



Big trends and why they matter



How important
was this?



How important is this?

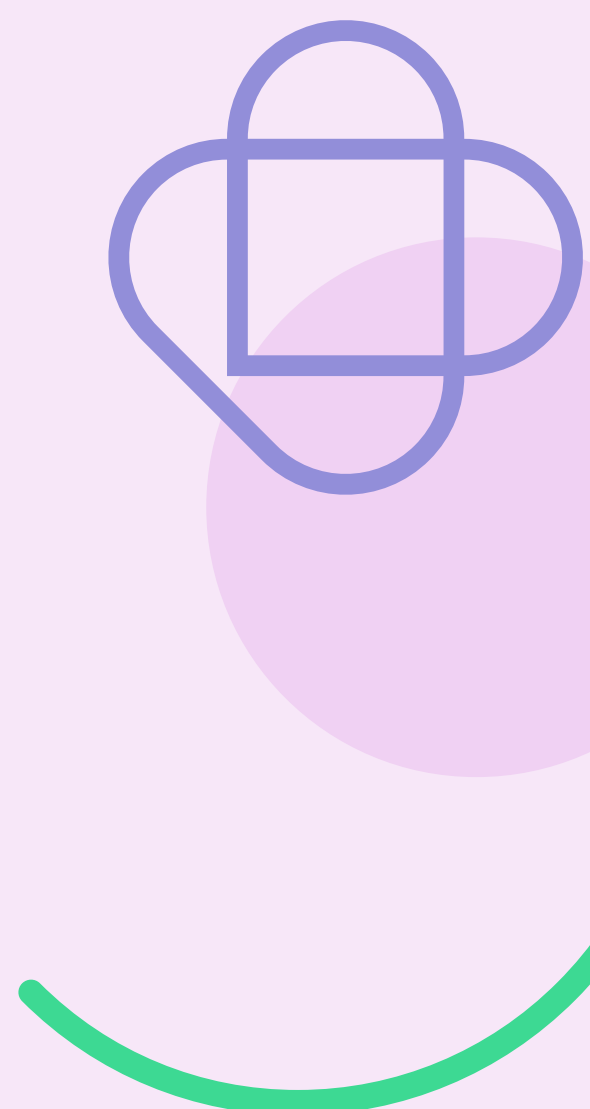



How important will this be?

- The shift to digital technologies & the rise of self-service
- Increasing expectations from staff and customers
- Home ownership becoming much more difficult
- Climate change and sustainability
- Artificial Intelligence and Machine Learning

Every change creates opportunity
Every change creates risk
Are you looking?





There's no such thing
as the 'best' service

The 'worst' often wins

The best furniture:

- Unique design – it was a 'statement'
- Durable (20 years+)
- Made by skilled craftsman
- Expert sales staff to help with choice and interior decorating



They want...
& They don't mind that...



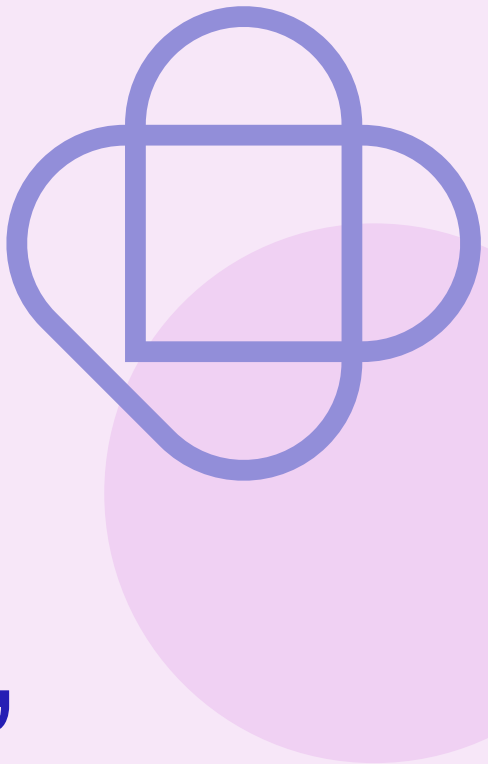



We accept poorer taste and less nutrition because we want consistency, convenience and a low price



Want: Exclusivity, speed, luxury
Accept: Price, availability, risk





If you want to innovate,
ignore your customers





“IF I HAD ASKED PEOPLE
WHAT THEY WANTED,
THEY WOULD HAVE SAID:
FASTER HORSES...”

Henry Ford


Are you creating a 'faster horse'?





Different vs Better



An aerial photograph of an outdoor basketball court. The court is rectangular with yellow boundary lines. A basketball hoop and backboard are visible on the right side. A person in a blue jersey is positioned near the top center of the court. Long shadows from trees and the court structure are cast across the court surface. A semi-transparent grey box with white text is centered over the court.

**“What do we do that our
competition would admit
they can’t or don’t”**



TESLA

1



TOYOTA

2

100m SPRINT

Be Different

- Focus on a small group of people who want something very specific. You can ignore many things others fight over
- High risk, but also high reward
- A few REALLY love you, most will hate what you do at first

Be Better

- Appeal to many & outperform on several aspects of how your product is provided rather than having one 'big idea'
- Requires intense management, but safer
- Most people 'like' you, few don't.

The courage to be disliked

To buy a Tesla, the customer...

- Needs to want an electric car
- & they don't mind that range may be an issue
- & they don't mind that there are very slow charging times
- & they don't mind that there aren't many model choices
- & they don't mind that the overall quality isn't very high
- & they don't mind that it's 2-3 times the cost to buy
- & they need to have a place to charge it
- & they need to have the money to actually buy it



And yet...



IF YOU CHASE
TWO RABBITS
BOTH WILL
Escape



You are the sum of 1,000 decisions



- Talent branding
- Recruitment & onboarding
- Training & ongoing coaching
- Leadership style
- Salary & incentive systems
- Performance management
- Team size & structure
- Communication (internal/external)
- Rituals and celebrations
- Physical locations (office)
- Website and social assets
- Monitoring systems
- Price flexibility
- Marketing strategy, style & platforms
- Dispute resolution process
- Organisational KPIs
- Technology choices
- Product choices
- Risk tolerance



Applying innovative thinking to pricing





$$P = V(R-C)$$



Profit = Volume X (Revenue-Costs)

My profit is determined by how many customers I serve, and the difference between what each of them pay me (eg fees) and what it costs me to serve them (eg wages, rent etc)

Understanding profit



$$P = V(R - C)$$

- If Bob bakes bread for \$3 and sells it for \$5, he makes \$2 per loaf
- If he sells one loaf to fifty people each week, he makes \$100 a week

Does it matter how he makes the \$100?
50 loaves at \$2 vs 2 loaves at \$50?

Price like a platform?



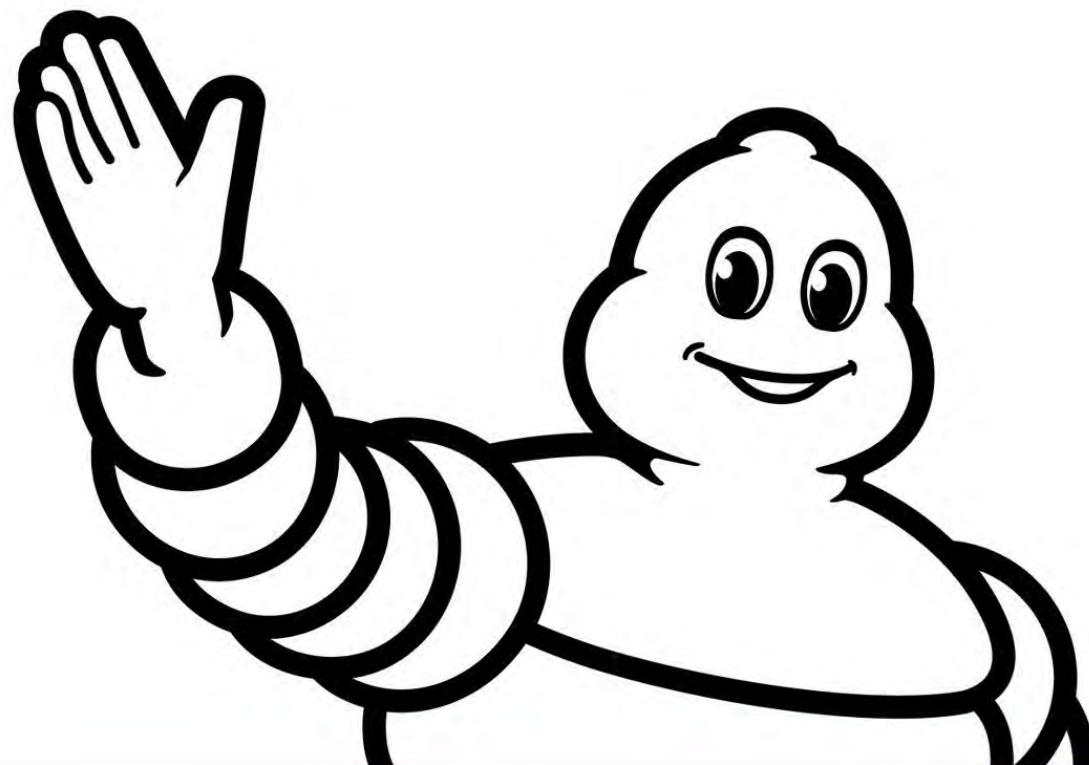
How would you compete?



- I give the bread away for free to create traffic, then sell ads on the walls in my store.
- I give the bread away for free to create traffic and rent some floor space to a barista.
- I give the bread away for free to create interest and sell bread making classes to those who are impressed by it. I then sell them the ingredients used during the class so they can show off to their friends at home.
- I sell the bread for half the price of my competitors but do all three of the above.



Innovate to change demand



MICHELIN



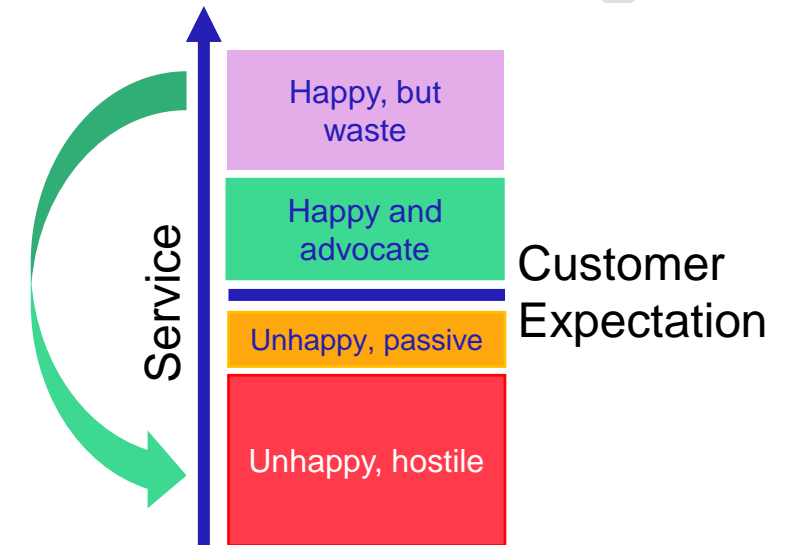
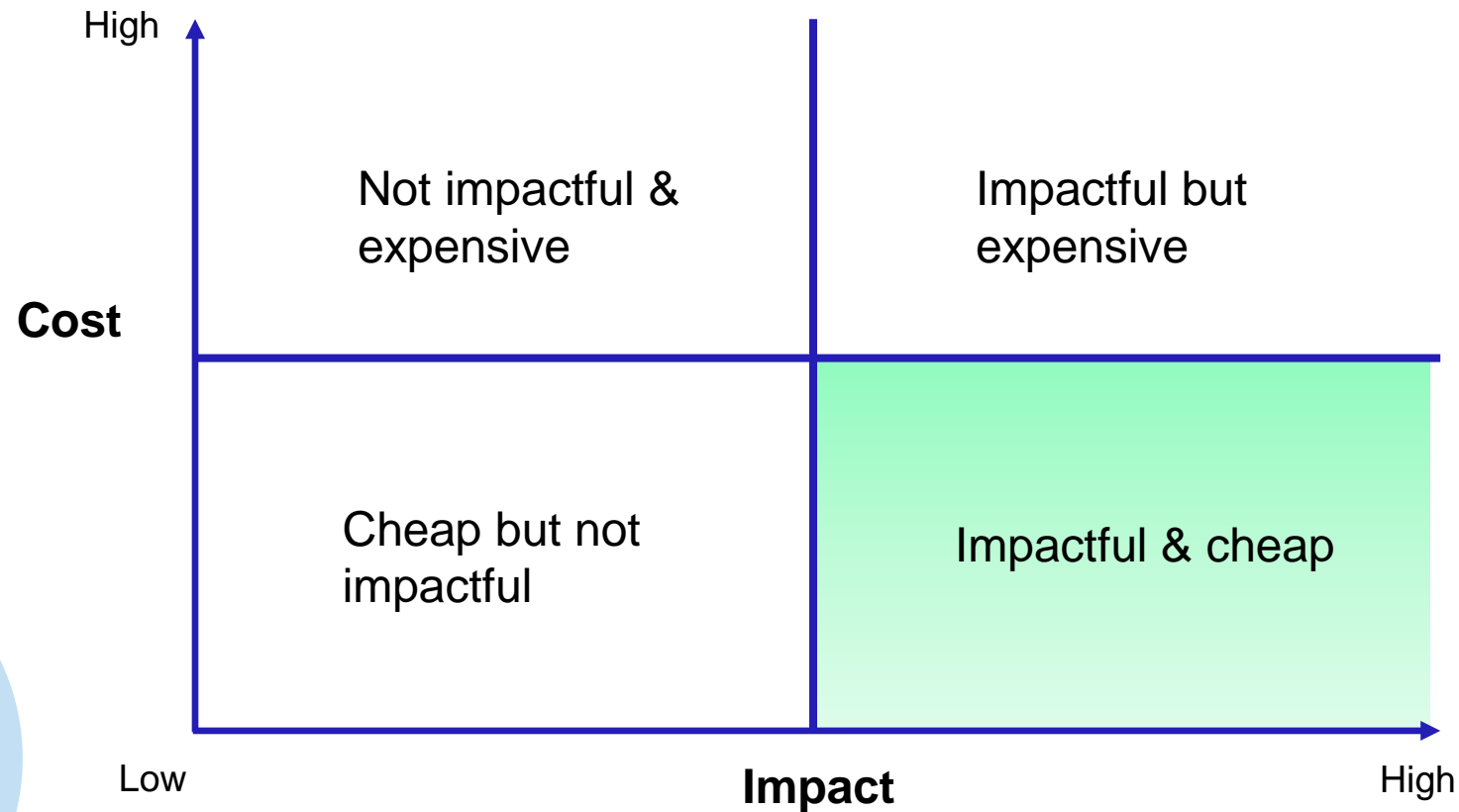
What does a 250-year-old,
premium pencil company
do in a digital world?





Saying 'no' matters

What you say 'no' to matters





Innovation is not about technology!
It's about asking LOTS of questions
It's about seeing what others miss & refusing to believe there's only one way to do something
It's about having the courage to stand out

In summary

- The world is changing rapidly, which creates new opportunities and risks for your agency
- Innovation comes from seeing what others miss – where are you looking?
- There's no such thing as the 'best service'; but the best set an expectation and deliver to it (they want... and they don't mind that...)
- Think about the different parts of the puzzle – how do you set yourself apart?
- Every decision you make has a trade off – are you evaluating things this way?
- What you do and how you make money no longer need to be the same.



Banana Real Estate



- What's going wrong with the team? What would you change?
- What would you change to improve profitability?
- What's your best idea to help them stand out?





Let's connect

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<https://www.linkedin.com/in/batemanscott>

And check out our podcast, Agency of Change available on [Spotify](#), [Apple](#) or [Google Podcasts](#)

