



Change Your Company

Part 1 – What Now, Where do I Stand and What am I Faced With?

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Summary

In our exploration of the industry, we have found the vast majority of owners are frustrated with the insurmountable challenges in their business and are compounded by a narrow list of tools and options to attempt to make it better. If you feel this way, you are not alone. The regulations, processes, new technologies, and competitive requirements put pressure on profits and the viability of your business.

In many cases, as we begin to speak with owners and leaders, we find a clear and distinct cynical attitude to just about everything, simply because the challenges are overwhelming. This may be the very worst thing you can do. A solution to your issues may be sitting in front of you, but your exhaustion prevents you from even listening to it.

This three-part series of white papers explores how to approach this issue and operates on the premise that something completely different needs to happen before we can find the right answer. As my Grandfather said, "if it ain't broke, don't fix it," but open your mind just a little and realize that this is very "broke."



Part 1 – What Now, Where do I Stand and What am I Faced With?

Housing market crash, economic troubles, fines, QM, TILA/RESPA and millennials. What now? What more must change in this industry to cause me the greatest headache I have ever had?

The “what now” is actually how you are going to maintain your business in this massively, ever changing environment. If you’re like most, you are spending each day wondering what to do next and how to maintain your business in these conditions. You have been doing business the same way for many years and have fine-tuned your process to a best practice, and were genuinely happy with it. But now it seems everything has changed, and you’re not sure where to start.

Let me say, you are not alone. Executives across the country are faced with the very same challenge and are wondering the exactly same thing. All around you, you see competitors and almost an entire industry throwing bodies and software at the problem, and you look at it and say why. I’m here to tell you today what you already know: Stop! Don’t buy any more software. If you keep throwing bodies at the problem, you are going to go broke.

You see, both of these solutions end with the same result. If the process sucks, throwing bodies and software at it is only going to make it suck faster!

So let’s make this simple. The business is made up of the following key pieces:

- 1. Win a Customer**
- 2. Produce a Product**
- 3. Deliver the product to the Customer**

Based on these very high level categories, what processes require change?



Win a Customer

The CFPB has stated their mission is to push the Consumer into a leadership position in the transaction with transparency, participation, and education. This combined with the market shift and demands of the Millennials, suggest that this category is under extreme pressure to change, and change dramatically. And it's all complicated further by the Realtor having so much influence over the direction of a deal. In any case, all the rules are changing on how to win a customer.

Produce a Product

There couldn't be any more change in the way products are produced in the industry, with the increased regulation, compliance and the shift in liability structures to the Lender. The way we used to create product is not the way we need to produce product in the future.



Deliver the product to the Customer

If you're a Lender, you relied heavily on others to perform this function, and now you have the liability. Although you can continue to do it the way it's been done, it's going to get very tricky. The fact is, the industry has not been the best at delivering the product to the Consumer, and for all intents and purposes it is all manual. Massive change is needed.

As you can see, what we're saying is, "the way we have done it in the past, is not the way we need to do it after October 3rd." When we reach this realization, we can clearly see why we need to stop throwing bodies and software at a bad process. It's just going to suck faster.

Now this puts it in perspective. There's simply no magic solution to fix this problem. Your current processes will not support the future in every level of the transaction.

Stay tuned for Part 2 of this white paper series, on How to Approach this Daunting Challenge!



About Mark McElroy

After starting in Fortune 100 application development in 1984, McElroy moved to a partnership in 1996 at the multi-national SAP firm IT Services, Inc., where he helped grow the business to \$40M in annual revenues by 2000.

In May 2001, McElroy purchased RamQuest, Inc. with several other investors. During his tenure there as President and CEO, revenue increased 28 fold for 50 consecutive quarters of profitability, the user base exploded to 30,000 users nationwide, and several new products were developed and launched for the title industry.

In 2011, under McElroy's direction, RamQuest began to widen its focus and develop products and services for vertical real estate markets under the Guardian Consumer Services brand, which officially launched and separated in 2014 as Pavaso, Inc.



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