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## Prudential Real Estate and Relocation Services and its e-business Initiatives

Extending Relationships with Local  
Affiliates and Corporate Clients

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## Prudential Real Estate and Relocation Services and its e-business Initiatives

### *Extending Relationships with Local Affiliates and Corporate Clients*

By Geoffrey E. Bock

#### Executive Summary

Prudential Real Estate and Relocation Services (PRERS) has a major presence in two interrelated lines of business: real estate sales and corporate relocation services. It has built market share and business value by delivering excellent customer service and simplified business processes. Key to its success is its commitment to advanced information technologies, its diverse sales and marketing programs, and its ability to connect with customers making different kinds of home ownership decisions. The company seeks to deliver quality customer experiences, one transaction at a time, by using tools that increase the efficiencies and reduce the anxieties related to home ownership and relocation.

Prudential Real Estate and Relocation Services is now in the midst of implementing its strategic e-business initiative, designed to leverage the changing marketplace for real estate sales and relocation services. A company with affiliates and corporate clients throughout North America, it seeks to develop innovative business models while also continuing to serve its local franchisees, their clientele, and corporate clients in a competitive, personalized, and cost-effective fashion. PRERS has internally deployed Lotus Notes as an enterprise-wide platform to enhance communications, coordination, and collaboration across many business functions. The company is now leveraging its Notes investment with Lotus Domino by deploying Prudential Real Estate Affiliates (PREA) Center, an extranet connecting its franchisees across North America. PRERS is also relying on Domino to manage much of the content that is now being published on its public Web site as well as on company-specific platforms that it is launching for its corporate relocation clients.

#### Customers.com Critical Success Factors for Prudential Real Estate and Relocation Services

☆	Target the right customers	☆	Let customers help themselves
✓	Own the customer's total experience		Help customers do their jobs
☆	customer		Deliver personalized service
	relationship		Foster community
	= Featured in this discussion	✓	

#### ☆ Target the Right Customers

Prudential Real Estate and Relocation Services is targeting the more sophisticated customers who have better access to information and want to have more control over their selections of service providers. These customers need advice so

that they can make informed decisions about home ownership. PRERS also provides relocation services to corporate clients and their employees who have pressing needs for effortlessly managing all aspects of company transfers.

### ✓ Own the Customer's Total Experience

PRERS is in the midst of deploying a self-service Web site, providing people with extensive information about individual properties and communities as well as market trends in general. As customers move from research to action, the company provides the tools so they can contact a local sales affiliate who can help them make a real estate decision and work with them to easily complete the transaction. Corporate relocation clients can access a proprietary, private Web site, the Prudential Relocation Center, for up-to-date information about relocation policies and procedures.

### ☆ Streamline Business Processes That Impact the Customer

Through its comprehensive e-business strategy, PRERS seeks to connect all of the key business processes that impact its customers. It continues to enhance the interactive content provided on its public Web site--[www.prudential.com](http://www.prudential.com). As a national franchisor, the company is implementing innovative solutions so that customers can easily do business with local franchisees in a streamlined fashion that makes the best use of appropriate electronic technologies. Streamlining for corporate clients requires maintaining tight integration with enterprise systems while also delivering an interactive Internet platform for employees to obtain relevant information about their move.

### ☆ Let Customers Help Themselves

PRERS focuses both on the needs of the customers and the needs of sales associates, relocation specialists, and other professionals who are part of the business process. The company is in the midst of augmenting its comprehensive public Web site and its private, relocation-related extranet sites so that customers can extensively research alternatives for home ownership and/or corporate relocation.

## PRUDENTIAL REAL ESTATE AND RELOCATION AND ITS e-business INITIATIVES

*Prudential Real Estate and Relocation Services is competing for customers in the age of the Web. It is in the midst of developing and deploying a comprehensive e-business strategy that combines high tech with high touch. It is focusing on the needs of customers seeking to buy and sell residential properties, the needs of the independent brokers/owners and sales associates who help customers sort through the facts and feelings of making a real estate decision, and the needs of corporate clients for seamless management of relocation activities. The company's recent actions and current plans illustrate the continuing importance of its core competencies—based on strategic investments in information technologies—and corresponding investments in human resources.*

### ***Business Context: A Complete Solution for Real Estate and Relocation Services***

#### **Combining Business Units**

Prudential Real Estate and Relocation Services (PRERS) was formed in December 1997 through the merger of two heretofore separate business units: The Prudential Real Estate Affiliates (PREA) and Prudential Relocation Management. Both had been subsidiaries of The

Prudential Corporation of America and focused on interrelated lines of business.

By combining the strengths of the two organizations, the merged company seeks to generate market momentum, improve operating efficiency, and deliver superior customer service by sharing systems, resources, and professional expertise. The company's e-business strategy serves as a prime example for its future direction.

### Franchising Real Estate Services

In general, The Prudential Real Estate Affiliates is a new player in the real estate industry. The company awarded its first affiliation in 1988. Since then, Prudential Real Estate has grown rapidly into a franchise network of more than 600 independent real estate affiliates in North America, encompassing more than 39,000 sales associates in more than 1,500 sales offices. Headquartered in Irvine, California, the network of Prudential Real Estate Affiliates generated over \$75.5 billion in sales volume in 1998. Franchise sales grew by 50 percent in the first quarter of 1999.

Nationally, the company runs its entire franchise operation with roughly 200 employees at headquarters and a mobile field staff of 80 who frequently operate out of their own home offices.

The real estate division of PRERS works directly with local brokers/owners and sales associates who are independent business operators in their respective communities. These brokers/owners are free to choose their affiliation with a national franchisor and do so when it makes good business sense. Prudential Real Estate competes with other full-service brokerage franchisors, such as Coldwell Banker and Century 21, for the relationships, commitments, and loyalties of the 1.4 million sales associates who are an integral part of the \$11 trillion real estate industry in North America.

PRERS has steadily expanded its market reach by simplifying its business processes. Key to its success is the deployment of advanced information technologies, diverse sales and marketing programs, and an ongoing commitment to help brokers and sales associates connect with their consumers.

### A One-Stop Destination for Relocation Services

Prudential Relocation Management (PRM), in comparison, was founded in 1969 to provide assistance

to large corporations and their employees with a single destination for a complete range of relocation services.

Headquartered in Valhalla, New York, the staff of roughly 1,400 relocation specialists create relocation benefits packages for individual corporate customers and manage their benefits administration. PRM specialists work with transferring employees and their families on all aspects of their move. Business is expanding dramatically; PRM's revenues increased by more than 200 percent in the first half of 1999.

For local Prudential real estate affiliates, the connection to a national relocation service means an additional channel to the market and an

important way to attract new customers.

### The Competitive Advantage of a National Brand

In addition to generating market demand through its corporate relocation services, Prudential Real Estate and Relocation Services seeks to deliver valuable customer service, one transaction at a time, by using tools that increase the efficiencies and reduce the anxieties related to home ownership. For PREA and its local affiliates, the competitive advantages within communities stem from both the national brand recognition associated with the parent corporation and the synergies of being part of an integrated financial services organization.

PREA provides local affiliates with a wide variety of marketing and business management services. These franchisor services include recruiting, training, lead generation, marketing, sales awards, motivational programs, and practical information systems designed to expedite business processes.

**Business Benefits**

- Prudential Real Estate and Relocation Services is rapidly expanding the capabilities of its extranet so that it can substantially improve its ability to interact with both local real estate affiliates around the country, and with corporate relocation clients and their relocating employees.
- As well as reinforcing business relationships and expediting many routine operational processes, Prudential Real Estate and Relocation Services expects to reduce overhead expenses by 10 to 20 percent through its extranet, and through fostering Web-based communication activities with its relocation clients.

## *The e-business Initiative: Leveraging a Changing Marketplace*

### Recognizing New Business Models

Prudential Real Estate and Relocation Services competes for customers in a dynamic marketplace. Its core competencies are based on strategic investments in information technologies.

As Steve Ozonian, chairman and CEO of the recently merged firm, assesses his company's business challenges, "We are now dealing with ever more sophisticated customers who have better access to technology and information. They use everything at their fingertips—from laptops to personal digital assistants—to help them make the most of their limited time."

Access to accurate information is the currency of any contemporary market. But the ways in which this information is being collected, compiled, and disseminated is "in the midst of a radical transformation," Ozonian explains. "Everybody involved in real estate sales and relocation services is facing a profound challenge. They will need to learn how to compete and win business in the age of the Web."

Through its e-business initiatives, PRERS is determined to stay abreast of the changing marketplace. The company seeks to develop new business models while continuing to serve its local franchisees and their customers in a competitive and personalized manner. As a provider of relocation services, it is pioneering new strategies for simplifying corporate relocation processes and activities.

### Managing Change

"Both real estate and relocation transactions are about change," Ozonian continues, "People are changing something that is personal and expensive, and this can be a very emotional experience. PRERS is determined to offer the most compelling services to meet all our customers' needs."

"The nature of the real estate market is also dramatically changing," Jeff Travelstead, senior vice president of Operations and chief information officer, emphasizes. "For instance, sales used to be entirely based on proprietary activities, where buyers and sellers relied on their sales associates for detailed information and local expertise. Contemporary consumers, however, are awash in online content. As they surf through cyberspace, savvy shoppers have access to a host of information.

But, at critical junctures, they still need a knowledgeable professional to complete a complex and emotion-laden transaction such as buying or selling a home."

"The demographics [of cybersurfers] are the same as the people we want to reach in terms of age, income, and lifestyle," Travelstead states. "Customers are hungry for advice so they can make informed decisions around what they have found."

*Through its e-business initiatives, PRERS is determined to stay abreast of the changing marketplace.*

### Three Phases

In light of the dynamic marketplace, PRERS has designed its applications based on three phases for capturing key elements of customers' experiences related to home ownership.

**RESEARCH.** The first phase is helping customers research their options by providing access to a wide range of authoritative content related to individual properties, neighborhoods, communities, financing, and other areas of interest.

**ADVICE-BASED RELATIONSHIPS.** The second phase, shifting from research to action, helps customers develop advice-based relationships with individual sales associates or corporate relocation specialists so that they can sort through the facts and feelings of making the right real estate decision.

**FULFILLMENT.** Once the decisions are made, the third phase ensures a smooth management of information so that customers can close the entire transaction with as few hassles, and as much up-to-the minute information, as possible.

According to Travelstead, technology "has a critical role to play within all three phases." As customers move

from one phase to another, the company seeks to capture their interests and activities and eliminate the annoyance of repeatedly asking for the same information.

### “High Tech with High Touch”

As Lyle Fuller, vice president for e-business, describes the company’s strategic direction, the firm is “in the midst of deploying a complete set of e-business solutions that are created with the customer’s vision in mind. Prudential Real Estate and Relocation Services seeks to balance all the various customer touch-points related to the home ownership experience.”

As an industry leader, PRERS is trying to blend appropriate technologies with concern for the human connection. It has embarked on a multi-tiered framework, focusing on the needs of both consumers and corporations relocating their employees, as well as on the requirements of real estate professionals staffing the front lines. It seeks to integrate front office, demand-creation activities with back office fulfillment and business management concerns.

The company is investing heavily in a sophisticated Web presence for all of its clientele. It provides flexible forms of electronic connections for its affiliates and staff members. Prudential Real Estate and Relocation Services also maintains a commitment to the human side of its operations by developing various communications programs. It seeks to ensure that brokers/owners, sales associates, and support staff of local affiliates have the necessary skills and expertise to operate effectively online.

Fuller summarizes the company’s overall efforts as a combination of “high tech with high touch.”

### **EVOLVING THE TECHNOLOGY INFRASTRUCTURE: LEVERAGING LOTUS DOMINO AND NOTES**

PRERS demonstrates the business benefits of Lotus Domino as well as the ongoing investment return from making a Notes decision in the first place.

The company’s internal Affiliate Information Management System (AIMS)—built using Notes—supports many key operational business processes. On the franchisor side of the house, PRERS relies on

effective electronic communications to support a relatively small and frequently mobile staff that also has a continental reach. It uses Notes databases and e-mail for internal communications, coordination, and collaboration. The Notes applications themselves run on a series of Unix servers, hosted at data centers in Texas and New Jersey.

Lotus Domino enables PRERS to extend its operational processes to its network of independent real estate firms across North America without additional investments in new technologies and applications. Rather, local affiliates can leverage their existing computing infrastructure.

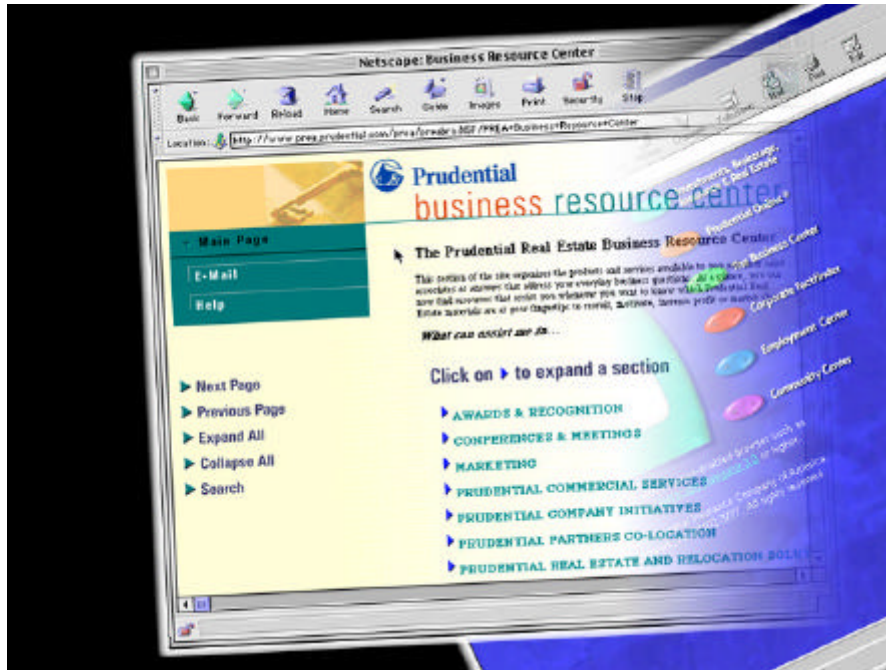
Internet access is now a basic telecommunications service that local businesses can easily procure from one of a number of Internet Service Providers (ISPs). Once connected, PRERS affiliates can readily link to PREA Center and have Web access to corporate news and information through a password-protected Web site.

Lotus Domino and Notes support most content-management activities. PRERS employees continue to use their Notes applications to create and modify content for local affiliates. Once individual documents are approved, they are automatically published on PREA Center and become accessible to all local sales associates.

As shown in Illustration 1, PREA Center serves as a venue for integrating essential business processes. Affiliates can electronically report on the ongoing sales activities for various PRERS awards programs simply by completing a form on the Web. This information is automatically passed through Lotus Domino and Notes to the corporate database. Notes Pump provides the critical link between the Notes database and Sybase 11.5, the relational database, running on a central database server. In a similar manner, individual real estate offices receive timely reports from Prudential Real Estate and Relocation Services through PREA Center. Again, Notes Pump provides the integration between the SQL environment of the RDBMS and the Notes database.

The public Web site, *www.prudential.com*, is now hosted on a series of Unix systems, many of which are running AIX on IBM’s RS/6000. Many of the applications running on the site will be based on Lotus Domino servers.

## PREA Center Home Page



*Illustration 1. PRERS has created an inter-enterprise environment that combines an internal business network with connections to the Internet. The company runs its enterprise systems through a series of Lotus Notes servers that are replicated over a private network, PRUNet. One of the Notes servers also replicates with a Lotus Domino server, residing outside the corporate firewall, which stores the content for PREA Center. Brokers send and receive content from the PREA Center server, which in turn replicates with the Notes servers residing behind the firewall.*

### A Three-tier Solution for Customer Relationships

PRERS has embarked on a three-tier solution for customer relationships designed to make it very easy for customers to do business with individual franchisees, for the national franchisor to coordinate activities with its local affiliates, and for corporations to manage relocation activities. This strategy combines an internal business network, corporate extranets, and a public Web presence. The three-tier solution leverages the evolving capabilities of PRERS's internal computing infrastructure to create a series of end-to-end business processes.

**AN INTERNAL BUSINESS NETWORK.** PRERS functions as a networked organization. Its headquarters employees and field personnel rely on a series of capabilities from the corporate internal business network. For real estate, the AIMS application supports day-to-day communications, coordination, and

collaboration activities. This is a client/server environment (deployed using Lotus Notes) that enables all staff members to work together whether they are in their home offices or on the road.

In addition to e-mail and Notes-based information sharing, AIMS provides overall affiliate contact and interactive content updates, contributing to the development of network-wide teams within the organization. It also provides the forms-driven user interface and security for accessing various business databases essential to managing the far-flung activities of PRERS and its various affiliates and business interests.

**EXTRANETS.** PRERS is currently developing and deploying extranets for both its real estate affiliates and its corporate relocation customers.

**An Extranet for Real Estate Affiliates.** The success of PREA depends on the success of its local franchisees. It

supports the individual business owners and their sales associates with a wide variety of information and marketing programs, including sales conventions and promotional packages; sales awards and recognition programs for business excellence; and publications highlighting market trends and matters pertaining to managing a successful real estate office. Traditionally, PREA has relied on paper-based processes, faxes, and telephone calls to manage the myriad business activities associated with coordinating franchisee relationships.

With the advent of the Internet and the Web, PREA has embarked on a wide-ranging, long-term effort to expedite and simplify its business processes by creating PREA Center, a private Web site for its real estate affiliates on the Web. Local franchisees need only have an Internet connection (readily obtained from an ISP or telephone company) to log on to the company's extranet site.

**Corporate Relocation Services.**

For large corporations that are relocating employees and their families, PRERS is currently deploying proprietary, company-specific extranet connections through the Prudential Relocation Center.

When these are fully deployed, relocating employees will be able to access a single Web site, maintained by the relocation specialists within PRERS, where they will view extensive local information about their new community, including current property listings, garnered from Prudential's public Web site and other sources. Relocating employees will also access authoritative, company-specific policies, procedures, and guidelines related to their transfers and relevant to their specific relocation packages.

All of the company-specific information related to employees' pending transfers will be available through an interconnected set of Web pages, dynamically tailored to their specific circumstances. For example, company executives might automatically access the executive-level relocation package, while managers will view the information and procedures offered for their level.

**STRATEGIES FOR THE PUBLIC SITE.** For buyers and sellers needing information, PRERS is steadily building

an informative, interactive Web presence. Whether they are shopping for a new property within their local community or considering a move to another locale, consumers want to be able to research all their options.

The Prudential Real Estate public Web site, [www.prudential.com/realestate](http://www.prudential.com/realestate), has extensive information about communities and neighborhoods across the country and a variety of consumer-oriented decision-making tools, such as a multivendor mortgage platform. The site includes integrated real estate databases of residential listings compiled from a variety of local channels and developed with strategic business partners around the country.

*PRERS is currently developing and deploying extranets for both its real estate affiliates and its corporate relocation customers.*

As Fuller explains, PRERS will continue to add "additional tools and databases to its public Web site on an ongoing basis, enabling it to continually stay at the forefront for providing accurate, trusted information on the Web."

**The Human Dimension: eCertification**

Although more buyers and sellers are going online, sales associates often remain technologically challenged. Many are reluctant to change from their tried-and-true ways of doing business. However, front-line professionals must communicate effectively with their customers using all modes that are available.

To help promote change within the cadres of licensed professionals, Prudential Real Estate and Relocation Services has launched an eCertification initiative. The franchisor seeks to certify that broker/owners and sales associates understand how to use the various kinds of electronic tools and communication capabilities that are routinely deployed in business situations. Through its eCertification program, broker/owners must meet minimum performance standards for the use of e-mail, Web browsing, interactive searching, and use of various digital imaging technologies. They must be able to compile and filter online content from multiple sources and present information effectively to their customers.

To be eCertified, professionals learn how to use the various electronic tools on their own time and to attend appropriate training seminars, in much the same way as they study to keep their own real estate licenses up to



date. Each associate is tested at periodic intervals on her ability to use different business applications.

As Fuller explains, “eCertified sales associates are an integral part of the company’s e-business strategy. They have both the technical knowledge and the organizational know-how to communicate effectively with online customers.”

## ***Results: Building Electronic Relationships***

### **Streamlining Business Processes**

PRERS’s competitive advantage stems, in large measure, from its ability to apply advanced information technologies and new management strategies to the changing consumer and business environments. This requires continued investments in interrelated systems and environments that enhance communications, information sharing, and business processes. IT investments focus on the needs of the company’s internal staff, the network of local affiliates, and corporate relocation clients, as well as on relationships with the people making home-ownership decisions.

“The success of our entire effort in the marketplace,” Travelstead contends, “depends on streamlining our business processes so that company employees, affiliates, corporate relocation clients, and customers have the information they need when and where they need it.”

Beginning with its core business infrastructure, PRERS is developing and deploying solutions that simplify interactions for all parties involved in any real estate or relocation transaction. The company continually invests a sizable percentage of its annual operational budget on computer and communication systems, keeping up with changing technologies and management practices that impact routine business operations.

As part of this ongoing commitment to a contemporary computing infrastructure, PRERS, as well as other operating divisions of The Prudential Corporation, has had long-standing business relationships with IBM. PRERS has worked with IBM in different ways to identify enabling technologies and solutions for achieving its e-business goals and objectives. It is currently expanding the scope and functionality of its information systems technologies, exploiting the Lotus

Domino and Notes infrastructure to provide competitive solutions for both the real estate and relocation services lines of business.

### **EVOLVING THE TECHNICAL INFRASTRUCTURE: INFORMATION ASSETS AND SOLUTIONS**

PRERS works closely with IBM in a number of different areas to create an electronic infrastructure for competitive advantage.

InfoImage, a Lotus Notes VAR, was used to help design and develop the Affiliate Information Management System (AIMS) system. Beginning in the middle of 1997, the IT group within PRERS and InfoImage used a rapid application development methodology to create a working prototype of the AIMS system. They then evaluated and refined this prototype, testing their designs with both headquarters and field employees. This effort paid off: AIMS was launched as a beta effort in the fourth quarter of 1997 and went into full-scale production and deployment a month later. Furthermore, the Notes designers were able to quickly extend the Notes infrastructure and create AIMS for Affiliate Assistance Hotline (AAH!). This is a customized set of applications (discussed below in “Hotline Support”) designed to meet the real-time needs of Prudential Real Estate’s call center.

PRERS has worked with IBM Global Services to develop an understanding about the technological capabilities of the Web for e-business strategies and solutions. PRERS continues to work closely with IBM to identify enabling technologies for meeting its business requirements.

Finally, PRERS and IBM install and service systems used by the hundreds of Prudential franchisees and thousands of sales associates around the country. PRERS and IBM are now offering a package of hardware and software services to these independent businesspeople so that they can readily make their own investments in PC notebooks and desktop machines and can easily connect to the Internet. Through sales and marketing programs it has with The Prudential Corporation and its various divisions, IBM is also available to provide local hardware service and support as needed to all of the franchisees across North America.

AIMS provides the Lotus Notes-based business infrastructure for the corporation. PREA Center serves as an extranet for real estate franchisees across North America. Prudential's Relocation Center creates private, interactive, Web-based sites for corporate relocation clients and their relocating employees.

### The Affiliate Information Management System (AIMS)

Internal communications and financial reporting are essential elements for running a franchising operation and delivering relocation services. Whether they are working in headquarters or the field, PRERS staff members need to communicate among themselves, share ideas, track the performance of individual franchisees, respond to initiatives, and solve business problems. The company continues to grow rapidly and needs a cutting-edge information infrastructure that can directly support its growth-oriented business policies and practices.

**A REENGINEERING PROJECT.** Launched in early 1998, AIMS grew out of a corporate reengineering project. The business imperative was driven by the need to retire an aging database environment that the company had been relying on since its inception and the desire to improve workgroup activities among staff members. Rather than fix the millennium bugs in the legacy system, Ozonian and Travelstead decided to revamp the company's transaction processing system and introduce a modern database-management environment.

The development effort, led by Walt Clark, vice president of Information Technology, integrates current business rules and real estate business transaction processing requirements into the overall conversion effort. Calculations and reports that used to take several hours to run are now produced within minutes.

**THE LOTUS DECISION.** AIMS quickly became more than simply a database conversion project. As part of the reengineering effort, PRERS executives also sought to

upgrade the company's internal communications infrastructure. As an end-user-oriented business environment, AIMS required an easy-to-use interface to support the remote activities of mobile field staff.

Shortly after the design efforts for AIMS began in mid-1997, Clark and his colleagues decided to use Lotus Notes as the framework for deploying the new business environment. Their decision was based on three factors:

- The Prudential Corporation had already standardized on Notes as the preferred workgroup computing environment, so PRERS developers had ready access to extensive technical expertise.
- Notes combined both ad hoc database access with flexible business communications so that staff members could keep current with a wide variety of matters wherever they might be located.
- Notes already had a track record and an excellent industry reputation.

Clark and his colleagues were confident that they could readily deploy competitive business systems in a cost-effective manner and that the overall environment would be easy to maintain.

**THE EXTENDED BENEFITS OF NOTES.** AIMS has evolved into an extended workgroup computing environment that supports multiple business activities. Staff members can immediately access current financial information about individual franchisees as needed.

AIMS includes an affiliate profile application, which incorporates the contact lists, sales associate rosters, deal points, award levels, and many other pieces of information that Prudential Real Estate employees need when supporting individual franchisees. If one affiliate requests help on a particular issue, Prudential Real Estate staff members can search for information within various Notes databases, forward the request to other company experts, ensure that the right people are

### The e-business environment at PRERS includes:

- Lotus Domino
- Lotus Notes
- AIX running on RS/6000

IBM Global Services has a major role providing local service and support. InfoImage, a Lotus Notes VAR, designed and developed key parts of the solution.

informed of the issues, and provide the replies in a timely manner. AIMS includes tickler capabilities for tracking requests and ensuring follow-up on action items. Financial data and strategic operational information, stored in the relational database system, are automatically synchronized with Notes applications at scheduled intervals. With group-level and individual access rights maintained by Notes, staff members can easily access the business information and financial reports that they need to do their jobs in a highly secure fashion. Mobile staff members can readily replicate the Notes databases they need, so they can stay current about business activities while on the road.

*PREA staff now electronically transmit much of the routine business information heretofore mailed, faxed, or communicated over the telephone.*

**HOTLINE SUPPORT.** As part of its continued focus on customer service, PRERS expanded its toll-free hotline support and organized an Affiliate Assistance Hotline at corporate headquarters. Both corporate staff and local affiliates now have a single contact point where they can find answers to their questions.

Clark and his colleagues extended the capabilities of AIMS and created an additional set of Notes databases geared to the needs of the telephone support center. The customized application, AIMS for the Affiliate Assistance Hotline, tracks inbound requests, follow-up investigations, action-item responses, and conflict resolution.

AIMS for the Affiliate Assistance Hotline application allows staff members to manage their workloads and maintain direct control over the work that needs to be done to resolve customer inquiries. Since launching the application in the second quarter of 1998, hotline staff members have logged over 29,000 calls. Using Notes, they have been able to resolve 74 percent of the inquiries within 24 hours and more than 90 percent within 48 hours.

### **PREA Center: Forging Links with Affiliates**

Prudential Real Estate needs to continually communicate with its affiliates across the country,

ensuring the timely distribution of necessary marketing materials, competitive information, industry reports, and instructions about how to access the tools needed to service new markets and customers. It also receives transactional information about sales and the activities of individual sales associates.

Summarizing the company's requirements for forging electronic connections, Clark observes that "our communications needs are a two-way street." As a result the company developed the communications and information-sharing extranet named Prudential Real Estate Affiliates Center.

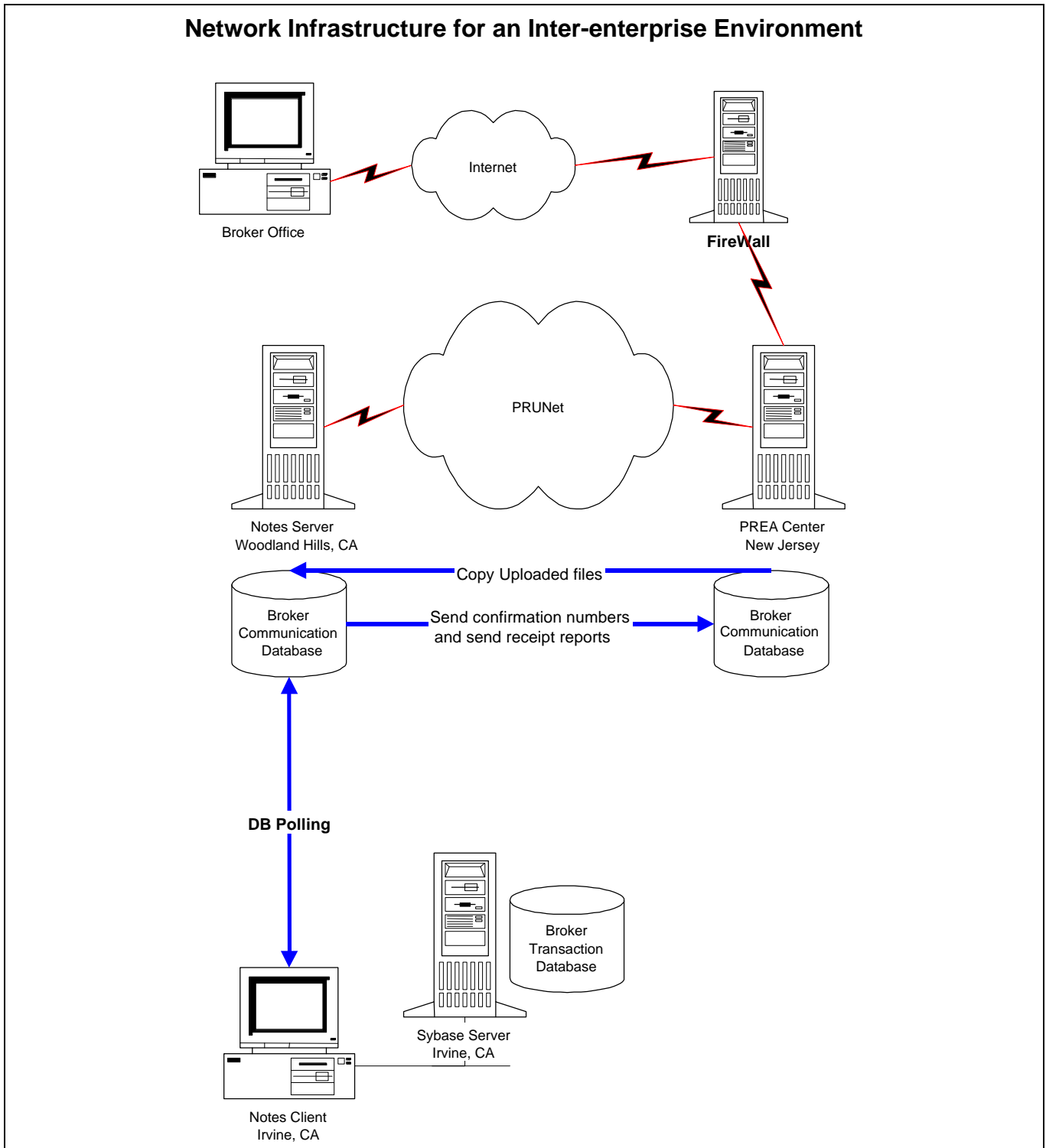
#### **A PASSWORD-PROTECTED**

**WEB SITE.** PREA Center connects corporate headquarters with local affiliates. (See Illustration 2.) It grew out of the reengineering efforts that led to AIMS. It is now based on the same platform and utilizes the seamless extensions of Notes to the Web through the Lotus Domino server. Broker/owners and sales associates use the public Internet to connect to a password-protected Web site, which enables them to access a wide range of corporate content. As of January 1999, all local affiliates have accounts on PREA Center and use them at least once or twice a week.

First launched in March 1997, PREA Center began as an online library of resources and marketing materials of direct interest to local franchisees, such as corporate brochures and other kinds of information. Through a series of enhancements, it has expanded to include:

- News and information reports
- An events calendar
- Supplier catalogs
- Employee and office locator
- Awards and recognition information

Downloadable artwork and graphics (useful for local advertising campaigns) It also provides an interactive discussion forum wherein people can share best practices and winning techniques.



*Illustration 2. PREA Center provides broker/owners and sales associates with one-click access to a wide range of business resources from Prudential Real Estate, including the awards and recognition programs, schedules of conferences and meetings, marketing materials, and other kinds of business information.*

PREA staff now electronically transmit much of the routine business information heretofore mailed, faxed, or communicated over the telephone. Individuals can also discuss situations among themselves and learn from one another's experiences.

**CLOSELY COUPLING BUSINESS PROCESSES.** The most recent set of extensions, rolled out at the beginning of January 1999, focuses on closely coupling essential reporting activities between local real estate offices and Prudential Real Estate.

Local offices are now able to send daily sales data and information for sales associates' awards to PRERS through a PREA Center application. Local offices will also receive up-to-date management reports about sales and financial activities and have the capabilities of tracking the award status of individual sales associates.

#### **TANGIBLE AND**

**INTANGIBLE BENEFITS.** PREA Center has led to both tangible and intangible business benefits. PRERS executives estimate that, when the Center is fully deployed, the company will save over 10 to 20 percent of its routine administrative costs by leveraging electronic distribution channels. The company will save more than \$100,000 per year in postage and fax charges alone by distributing routine reports and collecting data over the Web. Affiliates will no longer have to wait for reports to arrive in the mail. The data that they submit will be automatically reflected in the various management reports that are distributed 24 hours later.

More important, on a qualitative level, individual sales associates are able to be more productive and have better communications with the corporate franchisor by interacting electronically through PREA Center. It is rapidly becoming an important part of everyday business operations. Many activities that heretofore took a long time and required considerable effort are handled expeditiously 24 hours per day.

As Ozonian justifies the investment in PREA Center from his perspective as chairman and CEO, "our biggest return is our ability to stay connected. Brokers and sales associates are working every day on their own particular

islands. Using the Internet and the Web, we are now in more frequent communication with them and it costs us less. We can continuously reinforce our brand in the marketplace, serve our corporate clients, and build a compelling e-business presence."

#### **Prudential's Relocation Center**

The lessons from PREA Center and the AIMS environment have had an impact on relocation services. In 1998, the relocation group within Prudential Real Estate and Relocation Services developed a prototype of Prudential's Relocation Center, an extranet for its relocation customers and their employees. Following a period of testing with corporate clients, the company is beginning to fully deploy the relocation site and provide extended Internet connections.

Prudential's Relocation Center is a completely integrated Web environment, built using the capabilities of

Lotus Domino, that is designed to eliminate many of the redundancies that can often show up during the relocation process. Corporate relocation specialists maintain separate sites within Prudential's Relocation Center on behalf of contracting firms. Each company's site serves as a focal point for managing that firm's relocation activities.

As a result, relocating employees and their spouses connect to a single, password-protected Web site to locate all of the information they need pending a transfer. With just a few mouse-clicks, they can find answers to most questions, such as background information about their new community, company policies and procedures related to their relocation benefits, forms for claiming various reimbursements, and access to local real estate offices.

For Ozonian, the investments in Web-based solutions are just part of the costs of remaining competitive in the marketplace for relocation services. "We are dealing with Fortune 500 companies that have access to Web-based technologies on a regular basis," he says. "If you do not invest in these kinds of technologies, you cannot deliver efficient processes to your customers. Our ROI is based in part on how many high-tech companies we can

*As Ozonian justifies the investment in PREA Center from his perspective as chairman and CEO, "Our biggest return is our ability to stay connected."*

now attract as customers to PRERS. We justify investments in terms of the revenues we would not have if we had not invested in the extranet connections.”

site, contacts the people who request assistance, and passes on the hot leads to affiliates in local communities.

**An Expanding Public Presence on the Web**

Prudential’s public Web site serves as a one-stop gateway for a host of products and services related to home ownership and relocation. It provides a wide range of marketing and consumer-oriented sales information, such as a listing of local affiliates; research tips for relocating, buying, and selling a home; information on resort, vacation, and retirement living; and how to contact the franchisor for more information on business opportunities and real estate careers.

In April 1999, PREA licensed the contents of realtor.com ([www.realtor.com](http://www.realtor.com)), the largest independent site on the Web for residential real estate listings. PREA has developed a private-label version of the content to mirror the look-and-feel of the Prudential Web site’s current design. Site visitors will encounter a seamless experience, gaining access to a wide range of content from multiple, often disparate, sources. The content includes such activities as finding a home, locating a neighborhood, and a personal property planner.

**REQUESTING ADDITIONAL INFORMATION.** The public Web site also includes a link to request more information. Cybersurfers can complete a detailed screening form describing their backgrounds and interests in particular properties and send an e-mail message to a customer support center. PRERS consolidates the information generated through the Web

In 1998, the company received roughly 32,000 requests for information through its Web site.

**IBM’s Value**

IBM’s definition of e-business is IT + Internet—that is, leveraging the power of existing systems and the opportunity of the Internet to transform a company’s business.

IBM identifies four specific areas of value that it provides to its e-business customers.

✓	It’s about business, not just technology.
✓	Start simple. Grow fast.
✓	Build on what you have.
✓	Expertise you can trust.

In the Prudential Real Estate and Relocation Services case, IBM’s major contributions include hardware, software, solutions, and the activities of a national service organization.

Prudential Real Estate and Relocation Services builds on the underlying capabilities of Lotus Domino and Notes for its e-business strategies and solutions. The company runs its internal business processes on Notes. It is then able to seamlessly communicate and share information with both its franchisees and corporate relocation clients using Domino. IBM also plays a major role providing on-site service and support to the hundreds of individual Prudential real estate affiliates across the United States and Canada.

***Future Directions:  
Sustaining Connections***

**Building Long-Term Relationships**

Providing extensive marketing and sales information on the public Web site is only an interim step toward a larger goal. PRERS will continue to focus on the underlying business processes related to customers’ home ownership decisions, ensuring a smooth flow of knowledge and expertise.

Moreover, real estate customers and transferring employees often have needs for other kinds of financial services. Thus the company is beginning to focus on the ways in which customers’ initial experiences with local affiliates or relocation services can lead to other

relationships for a broad range of additional financial services.

**Toward the Premier Destination on the Web**

Prudential Real Estate and Relocation Services will substantially enhance the capabilities of its public Web site over the next 12 to 18 months to be the premier destination for real estate and relocation content on the Web.

The company plans to introduce access to online databases, compiled with the help of various business

partners, so that buyers can begin to use the Web to research residential options in local communities and locate individual property listings. PRERS plans to considerably expand the links related to requests for more information. Buyers and sellers could then explore a wide range of options on their own before deciding to contact a sales associate for the advice they need as they pursue their home ownership goals.

For prospective relocation clients, PRERS is developing extensive content related to business trends and human resources issues for corporate moves. For instance, the site contains information about national and international relocation packages, issues facing repatriating employees from foreign assignments, and options for moving corporate headquarters. The site also contains interactive tools for people assessing relocation assignments, such as how to weigh concerns about aging family members and childcare responsibilities for divorced parents.

### Seamless Communication and Coordination

Whether they are browsing the Prudential site, surfing the Web, or doing their background research through other means, when cybersurfers decide they have found the information they need, Prudential Real Estate and Relocation Services wants to be ready to convert their intentions to actions. The company plans to provide a smooth transition—and the appropriate kinds of customer touch-points—between searching for content online and contacting a sales associate when customers are ready to begin negotiating. The company also plans to expand the wide variety of communication activities between relocation specialists, relocating employees, and individual corporations.

PRERS is developing a set of “eTransaction” services to bridge the communications between cybersurfers on one hand and sales associates or relocation specialists on the other. These services will span the three phases of a real estate transaction or company move: research, advice-based relationships, and fulfillment activities.

Customers will detail their preferences for specific kinds of properties, communities, or living situations as they

browse the Web. When they are ready, this information will be sent from the Web site (*www.prudential.com*) to a broker at the appropriate Prudential Real Estate office. As prospective home owners begin to seek advice, sales associates will already have profiles of their individual interests and can thus quickly and efficiently assist them in their search for a new home. Relocating employees can provide information online and have it electronically routed to appropriate relocation specialists. Ideally, customers will have to enter pertinent information only once, and the environment will pass it, as needed, throughout the real estate sales and relocation processes.

*PRERS's e-business investments serve to foster lifecycle relationships for a wide range of interrelated financial services.*

### A Portal for Related Financial Services

Home ownership, Ozonian reasons, is one of the most important financial decisions that people make during their lifetimes. “When people are buying a home or relocating they are going through a number of major decisions about family finances. They often need other kinds of financial services, both to complete the transaction and also to sustain their lifestyles and financial security over the long haul.”

Home owners face other important financial decisions. That’s where the one-stop portal to The Prudential and its family of products assists in saving time and effort.

The Internet and the Web, Ozonian believes, create an extensible environment for electronic commerce beyond the specifics of individual or real estate transactions. As customers come to the Web and do business with PRERS, they can also learn about related services of the corporate parent, such as securities and home owners insurance. After they are settled in their new homes and realize their needs for additional kinds of financial services, such as college savings, retirement planning, or long-term care insurance, Prudential can continue to serve them by keeping track of who their customers are and what types of products they have sought in the past.

“The Web is a nonthreatening environment,” Ozonian reasons. “You don’t have the insurance broker knocking at the door. Rather, customers can contact a trusted advisor and get professionally introduced over the

Internet to the right specialist who can help them address their individual concerns.”

In sum, PRERS’s e-business investments serve to foster lifecycle relationships for a wide range of interrelated financial services.

Ozonian envisions that, as Prudential steadily expands its presence in cyberspace, it will be able to create a one-

stop framework for a wide range of financial services. By knowing who their customers are and what kinds of services they are likely to need, Prudential will be able to tailor its offerings and require fewer information hand-offs in the process. These kinds of relationships often begin with the quality of the home-buying experience.

**LESSONS LEARNED FROM PRUDENTIAL REAL ESTATE AND RELOCATION SERVICES STORY**

1. Prudential Real Estate and Relocation’s e-business initiatives are based on an in-depth analysis about how the markets for real estate and corporate relocation services are changing. PRERS is deploying comprehensive solutions to ensure that its franchisees continue to maintain a competitive advantage in their marketplaces. Corporations can also look to PRERS for strategic-thought leadership for managing relocation programs in a global economy.
2. PRERS has embarked on a successful three-tier solution for fostering customer relationships, beginning with an internal business network that is based on Lotus Notes. It has seamlessly extended the capabilities of this network to create an extranet—PREA Center—for its individual brokers/owners and sales associates, as well as a Relocation Center for relocating employees and their corporations.
3. Lotus Domino and Notes provide the enabling infrastructure behind e-business solutions that integrate public Internet access with Web-based extranets and an internal business network.

**TAKEAWAYS FROM PRUDENTIAL REAL ESTATE AND RELOCATION SERVICES STORY**

1. A successful e-business strategy focuses on the end-to-end business processes. Beyond the capabilities of its public Web site, PRERS helps prospective home owners develop advice-based relationships with individual sales associates or relocation specialists.
2. Companies can readily create new kinds of value-added services over the Web. PRERS is able to deploy private Web sites for its corporate relocation customers using Lotus Domino.
3. A comprehensive e-business solution addresses the human dimensions of Internet access. As well as creating an appealing and useful Web site for potential customers, PRERS is investing substantial resources to train brokers, sales associates, and company employees about how best to utilize electronic tools.

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