

The Dream of a Lifetime

By Jeff Schurman

9-28-07

Hans Selye, the Canadian endocrinologist and author of works as *The Stress of Life* and *From Dream to Discovery*, observed that "To make a great dream come true, you must first have a great dream." Here's where I am in my thinking about great dreams.

Over the past five years, I have invested much time and thought to how the settlement services industry will be viewed by posterity. In my role at TAVMA, I've come face-to-face and gone toe-to-toe with innumerable detractors bent on convincing me that outsourcing of mortgage settlement services - and by extension my career - is somehow less than humane.

There was the time I spoke to a state coalition of appraisers whose purpose according to organizers was to reach out to the vendor management industry. That a guy in the back row would lean over the table, point a finger my way, and compare my industry to the Evil Empire and me to Darth Vader is enough to make anyone ponder. If I only had a Death Star....

Then there was the conference panelist, a mortgage broker, who came under fire for, well, being a mortgage broker. As a fellow panelist, I lent my support by making a few comments about the fuzziness of the line between routine client-appraiser discourse and illegal client pressure on appraisers to hit unrealistic values. I added that although certain individuals may apply illegal pressure, which I define as bribery, coercion or extortion, I don't know of any institution that deems such practices to be company policy. My reward? My new best broker friend served up a spitball by opining about the lack of ethics in my industry. Where must a guy go to find respect? Why, to hell apparently.

You and I hear the critics - regulators that want to be politicians, reporters that want to be investigative reporters, interest groups that want to turn back time - question our integrity and deconstruct title insurance and settlement services one sound byte at a time. Overlooked is this truth: Without the safeguards built in to the land title system, mortgage lenders, the secondary market, and institutional real estate investors would charge more for their products and services through higher interest rates, points and fees. All of which brings me to my great dream.

That the settlement services industry and the tens of thousands of people who choose to make their careers in this line of work are viewed by media and government, clients, consumers, and posterity as integral promoters and protectors of the land title system in the United States.

The first step toward translating my great dream into a sustained reality is to frame a value

proposition that together we can use over and over again to show how the industry adds value to, promotes, and protects the land title system.

Formulating the value proposition

I've written before on the topic of value propositions among segments of the industry. You'll find a link to one such article, [Framing the Vendor Management Value Proposition](#), on the front page of tavma.org. In that article, I discuss the Better, Faster, Cheaper concept that has become the mantra for the vendor management industry. Whether the industry is vendor management, title insurance, or settlement services, a clear, concise, compelling, and accurate value proposition is a must. But what is a value proposition?

My favorite definition of the term that I've found comes from dot-com marketing guru Geoffrey Moore. In his seminal work, *Crossing the Chasm*, Moore argues that new technologies success or failure hinges on the ability of the marketer to transcend the first-adopters of the technology and gain acceptance among mainstream buyers. To cross the chasm as Moore puts it, the marketer must build every communication, promotion, marketing, and PR campaign around a select few customer-facing value-added benefits. Thus the organization can engage the customer on the strength of what it does for the client rather than flailing about in search of a random customer need.

Moore argues that a value proposition has three essential components: The product itself, the target customer, and the target application. Underlying each of these essential components are three abstract sources of a must-have value proposition: 1) It enables a previously unavailable strategic capability that provides a dramatic competitive advantage in an area of prime operational focus; 2) It radically improves productivity in an already well-understood critical success factor; or, 3) It visibly, verifiably, and significantly reduces current total overall operating costs." I've added to Moore's list a fourth must-have: It must render a qualitative or quantitative return on the clients' investment.

Framing the Value Proposition

So how does this relate to the settlement services industry?

We know that without the safeguards built in to the land title system, mortgage lenders, the secondary market, and institutional real estate investors would charge more for their products and services through higher interest rates, points and fees. We also know, thanks to such works as *The Mystery of Capital*, by Hernando de Soto, that the economies of Western nations outpace the former communist and third-world countries in capital generation because of the land title industry, the guardian's of our nation's property records.

De Soto argues that:

- Without the land title system our most important assets would be "dead capital" (in other words, we couldn't translate the equity in real estate).

- Without both public and private entities that comprise the settlement services industry, we would not be enjoying the prosperity we see in the U.S. today.
- Without title, deeds, and other property and security records safekeeping and public access by public record and land title professionals, our county's real estate assets cannot be leveraged as securitization for loans to fuel our economy.
- Without title insurance companies issuing both owners and lender policies to cover these parties for specified risks, we simply would not see the efficiency, comfort, and speed of real estate transactions characteristic of the U.S. and other Western nations.
- Without these realities that we take for granted, we would all unfortunately be experiencing the frustration in the other developing nations of the world that envy our prosperity here in America and other Western nations.

At TAVMA, we've identified a need for a forum to talk about positive aspects of the settlement services industry. To this end, TAVMA is sponsoring the 2008 TAVMA Conference & Exposition. The conference will again feature marketing experts, motivational speakers, expert panels, and industry leaders; and you too, hopefully. We'll talk about branding, marketing, packaging, and delivering settlement services. In addition, we will talk about what it means to consumers and the underlying land title system. We'll also present sessions in a How-To format to help attendees develop their businesses to survive the current turmoil in the real estate industry.

The conference will be held at The Royal Pacific Resort at Universal Studios in Orlando, Florida, April 7-9, 2008. Our goal is to convene 250 professionals, 20 exhibitors, and an impressive lineup of speakers. In fact, our opening keynote speaker, Jeff Thredgold, is an economic futurist and Certified Speaking Professional, so you know he will be worth seeing. Jeff spoke at the 2005 conference and was frequently cited by panelists and attendees alike for his insights and optimistic projections about the future of the financial services industry. Together we will learn how to frame our own value proposition and present the true account of the settlement services industry to media, government, clients, and consumers.

I'll see you in Orlando!

This will be the event of the year. So, mark your calendar and plan to attend the 2008 TAVMA Conference & Exposition. Additional information about the conference is on the Web, at www.tavma.org. I'll see you in Orlando, April 7-9, 2008!