Tyler Christiansen:

We have long advocated at Funnel that centralization and automation, or AI, are two core pillars of what we call the new operating model. It's an operating model that's more efficient, it's better for consumers, and it's more likely to lead to higher retention of associates.

Matt Slepin:

Hi, this is Matt Slepin and welcome to Leading Voices in Real Estate. Today's episode is a conversation recorded on June 3rd with Tyler Christansen, the founder and CEO of Funnel, a multi-family proptech company that provides what they call renter management software, which means software and services that connects and manages the relationship between apartment property owners and their renters. But it goes deeper than that. You think renter management software is obvious in something that has existed forever, but as you'll learn in the podcast that owner-to-renter relationship kind of never existed. That relationship has been between the renter and the property entity versus renter and the owner entity, an important distinction. And that this innovation has deep, deep ripple effects, changing the structural nature of the apartment management operating platform. This is a follow on to our last episode with David Stamford and Chris Shader from Real Foundations.

With David and Chris, we talked a lot about the importance and meaning of the operating platform. And here with Tyler, we go deep down the rabbit hole, exploring how something like Funnel fundamentally changes the essential way of operating an apartment business. And we talk a lot about how these changes to the operating model, which cries out for and enables at least some centralization in the business model, in what had been historically a property centric, i.e. decentralized, business. And with centralization comes the creation of new specialized support disciplines based in call centers or hubs. For example, a centralized leasing renewal team that then facilitates bringing AI into these more specialized functions within the business. It's hard to bring AI in to support the role of a site-based property manager, but easy to leverage in these specialized centralized disciplines. This deep dive with Tyler might sound like we're just talking about the apartment business, but generalize everything we're talking about into each of the different food group verticals and real estate and even outside of real estate for the deep impact of what you're hearing.

We hear so much about AI. This makes its applications real. I was blown away by this conversation and have been ruminating on it since my conversation with Tyler last week. We've been exploring this stuff for a while on leading voices, but this and the Real Foundation's discussion made real for me the importance of a conscious and ever-evolving business platform and that AI will be a huge leverage point within that. And it set the bar for the work we do in recruiting at CRG in the real estate space, where our job in the coming years is really to help company build new kinds of teams and disciplines within the real estate business that catches, not avoids this new wave of the importance of business platform. Again, as the Real Foundations guys said, the point here is to focus on your business platform as the context and then AI is one of the drivers within that which you must leverage.

As in the Real Foundations discussion, please stay tuned at the end of the conversation to further thoughts from the new head of data and AI search at CRG, Deepali Vyas. Deepali and I pull the lens out further on the implications of this conversation. She's an expert in this part of the business, so her comments really drive home the overall discussion. So thank you for sticking with these conversations and listening onto our show. Coming up will be another double episode discussion, this time one I've wanted to explore for a long time. A conversation on fire. In this case, the LA fires and disaster recovery and how we as a real estate industry are major, major players in that. Please continue to listen. Please follow the show in your podcast app so that the next episode will automatically deliver. Please check out the archive and do share the show with your friends and colleagues.

Feel free to get in touch with guest ideas or importantly, if CRG can be helpful to your business in recruiting, talent management, or consulting on the people side of your business, please get in touch. My email is mslepin@crgpartners.com. I hope that you get as much out of this conversation with Tyler as I did. Enjoy. So Tyler Christansen, welcome to Leading Voices in Real Estate. It is real estate technology and disruption season on Leading Voices. We started a conversation with Ben Miller from Fundrise about a month or so ago and then the last episode was with David Stanford and Chris Shada from Real Foundations talking about technology in the use of real estate companies and operating platforms of real estate companies. This week we're drilling down further and more sector specific from the Real Foundations conversation to dive into multifamily and we're going to talk all about Funnel in your business.

And brief anecdote, I did a search three years ago for one of the major REITs in the apartment business and they said that they were disrupting and changing their operating model, which we were going to help them do from a people standpoint, because of the disruption that funnel created in their business. I'd never heard of Funnel. I said, "What is it that they do?" They explained it to me and now you're going to get to explain it to our guests, so to our listeners today. So I'm thrilled to have you on the podcast. Really looking forward to this deep dive. And although it's a deep dive into the apartment business and we're going to go geeky into the apartment business, I think there's lessons here for all sectors of commercial real estate and what the technology stack and what AI means specifically into how we run and operating our businesses. Tyler, thank you for being here.

Tyler Christiansen:

Thank you for having me, Matt. Yeah, I'm a longtime listener. I actually remember listening to your podcast many years ago with the phenomenal leadership team at Camden and I think that ever since then I've appreciated the perspective you bring to these conversations. And as a technologist, your anecdotal intro couldn't be more of a compliment, right? We all aim and aspire as entrepreneurs to disrupt the industries in which we serve. And yeah, very, very grateful that Funnel has played a part in taking this concept of centralization, which I know we'll unpack together, and AI technologies and bringing that into the mainstream. So whether that was very early on with Essex Property Trust, one of our early REIT partners, or more recently with UDR, our most recent REIT partner, centralization's been in multifamily for a while. But you're absolutely right, the takeaways from both the operating model, the staffing model, how that intersects with technology, I'm excited to talk about how it impacts multifamily today and where it's going, but I certainly agree with you that I think there are takeaways for any real estate vertical.

Matt Slepin:

It's interesting you talk about centralization because we're going to get into this, but the word that I heard was that they're creating a one-to-one relationship between the company, the owner of the properties, and the residents and that that took the property out of the middle of that relationship. So it was an orientation in relationship to the residents, kind of like a CRM, but maybe that caused centralization, but I don't know what your first concept was for this.

Tyler Christiansen:

Yeah. No, you're right. And just to unpack it a little bit now, we didn't even know what we had either back in the day. It was actually a good friend, Pat Klein, former CTO at Essex Property Trust, who told me what we had on our hands. So he took an early look at an early version of Funnel when we wouldn't even describe ourselves yet as a CRM. We are now. We are a CRM for nine of the 15 largest owners in America and many, many more small operators. But at that time, we would've described ourselves as just an automated lead management tool. And in demonstrating the early capabilities in the product, Pat illuminated for us at this time, Essex and a few of the other REITs, had already begun cross-selling their properties. This is an element of centralization, so the ability to take a single lead and show them multiple communities because the REITs often, as you know, have a lot of geographic density.

And so Essex has a ton of properties in Orange County, for instance. And he was tasked with, well, how do I seamlessly help somebody book tours at four different communities in Irvine? Well, it sounds simple, but to your question, the legacy systems, or the CRMs, or maybe even the management software systems in some cases, they created a unique record. And so if Matt were moving to Irvine and he inquired at four different communities, even if these are all Essex communities, you would create for instances of yourself. And the reason that happened is, as you're aware, outside of the REITs typically there isn't a single balance sheet to invest from. Every asset is owned by a unique set of investors and JV partners and therefore it makes sense from an accounting software perspective that I would silo the information. I don't want to be blending my expenses and my debits and credits amongst communities if I'm really only investing at a single asset and that was not lost on me.

I'm the son of an asset manager, but when you start thinking like a REIT and you start thinking from a single balance sheet, the customer management never made sense to be siloed. And so Pat told us way back in I think it would've been 2018 that, "Hey, you guys can do something here with this technology the way that you've started building this," that he called portfolio leasing. And that was the genesis. There's a lot that came out of that, role specialization, centralization, but just the architectural difference of having a property-centric accounting system or a property-centric CRM which silos your data much more like a car dealership and moving towards a hospitality Marriott Bonvoy type model of one record across communities, that was the impetus for everything that now centralization is.

Matt Slepin:

So much to talk about here today. I've always wondered when an entrepreneur starts a technology company if they see the end game or if they take a baby step and then someone takes the baby step and makes that into what becomes an end game. You had a little idea that then germinated into a big idea. And we're going to talk about how that evolved, but that's going to be maybe the first part of the conversation, which I find fascinating.

Tyler Christiansen:

Yeah, you're right. And I think that's the fun part as an entrepreneur, is you have those forks in the road constantly, Matt. And I think if I look back in time, we were like others leaning into what became AI. Back then we probably didn't know what AI was capable of, but we knew that there was better, more automated ways to respond to prospective renters and we were leaning into that. It wasn't until we got this feedback from an early customer and then we went and validated that with another early customer that we said it's worth leaning into. And so we spent the last five years building a CRM that really goes deep into that. And of course we've continued to advance the AI conversation as well, but you couldn't be more right it is you have a thesis, you have an idea. I spent my whole career in multifamily starting on the asset manager side, doing internship work for my dad at a company in Utah called Wasatch Property Management.

Then jumped over to a tech company in Utah called Property Solutions, which is now Entrata. And so I knew this space, I felt, pretty darn well, but it wasn't some amazing insight that I brought that, hey, we should build it this way. It was a little bit of coincidence that the technical team had designed it that way, but I think where myself and the other team members at Funnel deserve a lot of credit was being willing to zig when the industry was zagging, right? Although we heard this from Pat, when we would go tell other customers, the majority of them said, "No, no, no, that's bespoke to the REITs. You shouldn't build a company around that. It'll never scale." And you have to decide then and there. Do we want to go the opposite direction? Do we believe in this?

There's a great book called Zero to One. In that, Peter Thiel talks about you have to believe in a secret long enough to create a big moat. And so luckily nobody else believed to that secret that centralization is going to apply to everybody, so it gave us a big head start on building in what we call a renter-centric architecture.

Matt Slepin:

So let's talk about that evolution and you talked about yourself. My first guest who said they're the son of an asset manager and then you went from asset management to the predecessor of Entrata, which is one of the big software companies. Talk about that because that's where you got started on the tech side of the business. Because I want to hear how this evolved and the continued evolution will be the beginning part of the story.

Tyler Christiansen:

Yeah. No, I appreciate that. And I think we were all results of the environment and the cultures in which we were raised and my father was always in the lending side of multifamily. So I think I've always enjoyed podcasts like yours that go outside of the narrow lane of just multifamily tech or multifamily operations because I've always appreciated at the end of the day this industry as an asset class. And the buying and selling of assets is what makes it all work and why American multifamily stands far ahead of other countries. I'd love to travel the world and there's nothing like American rental housing. Genuinely the quality of life that we provide and what makes that work is that it's an asset class. And these assets, by and large, can trade hands freely. So I grew up, I think with that mindset.

I remember as a kid in Southern California, on the weekends we'd go to a soccer game and then my dad would say, "Hey, we need to go look at a deal that we're financing," working as a banker. When I was in college, he started on the asset manager side. He was specifically on the financing side of the business and underwriting the deals, wasn't in the operation so much. I remember doing my first unpaid internship driving around Salt Lake County, looking at potential parcels of land for them to acquire. And it was pretty clear to me that wasn't the part of the business that appealed to me. What I love about that as a millennial were always like, "Well, what's my why, my purpose in my job?" And what I love about the apartment industry is the why is so clear at the end of the day. You're helping people with their most expensive purchase every single month and the most important thing in their life in terms of physical property and that's a home.

And so I loved that part of it. And then I was very fortunate. I remember literally driving from Salt Lake down to Provo where I was going to school at Brigham Young University and I saw a big billboard. At that time, Silicon Valley was the main tech hub. Silicon Slopes in Utah was emerging as a big technology hub and I saw a billboard for a company called Property Solutions and they were advertising jobs. I had lots of sales experience as well working my way through school and so I was able to merge these multiple careers of multi-family and helping people with homes. I also spent some time in single-family homes doing real estate sales there and the technology I lucked into. So I fell into that and immediately just loved early days of Property Solutions. And their big value, Matt, if you'll believe it, in 2012 was helping people pay rent online. I mean, 90% of renters in 2012 were still paying via check.

And so it was fun to be able to introduce new technology to make living in an apartment easier. And I remember I was a renter myself and I'd walk my check down every single month. So I got the bug very early. And between housing and technology, I just never left the industry and I never will. I love it.

Matt Slepin:

Yeah. And then Entrata moved from helping people pay rent online to becoming one of the platforms underpinning the apartment industry like RealPage and like Yardi, is that correct? It's a full suite of services.

Tyler Christiansen:

That's right. That could be a whole multi-part series about that transition, but what was fun for me is I got to see early stage startup reinvent itself as a platform, to your point. And initially I started as an individual sales rep, ultimately ended up managing the sales organization, working with larger and larger companies.

And I loved the intersection of what's possible with technology and then the leadership required partnering with an operator to say, "How do we go and get those outcomes for you?" You're looking to it's something as simple as you want to allow your renters to pay rent online, which, again, now today sounds just totally pedestrian, but at the time was a big transition. How do we partner with you to make that possible? And similarly today, the number one thing that motivates me is when I find a multifamily operator who has something they can't do, we want to do A, but because of B we're blocked. And could our technology unblock you to do that thing, automate communications or whatever it may be?

Matt Slepin:

Got it. And one question about being a salesperson or running the sales force for a company like Entrata, the way I look at that, having recruited people like this, to me, it looks like both sales and use case in that the sale is helping them understand deeply how it will impact and affect their business and how their business will now have to run. So you need to know your stuff. You're not a sales person, per se, in the old style of that word.

Tyler Christiansen:

That's right, Matt. I think a lot of people, when they think sales, they think of a mall kiosk where somebody's trying to persuade you to buy their cell phone cover in two seconds and that's not what quality partnership is. And I've always enjoyed, exactly as you described, you have to know your stuff and you have to know their stuff. And the greatest compliment I ever get is when a multifamily operator calls me and asks for genuine advice, even if it doesn't intersect with my technology. And that is what I deeply train my small sales organization on, is you have to be fluent in multifamily. And I'm sure it's the same for your role, Matt. They can't call you and say, "Hey, I need to fill X role," and then have to explain to you what that person does and is.

The more you understand their business, the more they trust you to help them solve the problem. And I think our whole Funnel's business, that we're very proud to run the communications and the leasing for nine of the 15 largest owners in America. And that's not a responsibility we take lightly. Our team from the sales team, the marketing team, the implementers, they have to know our partner's business. And interestingly, we've become much more multifamily-centric as I've been here. When I started, nobody had worked on-site. I'd say half of Funnel today has on-site experience, which brings a lot of empathy to the role.

Matt Slepin:

Back to the point that you made about what I get to do is I actually know more about the role than they do. They know about the role in their company. I know about their role in the world and then I can bring back that perspective back to their company. On the last podcast with David and Chris, we laughed about the word asset manager, which we already laughed about together here. And it means totally different things in every company. And sometimes client will come to a recruiter and say, "Hey, go find me an asset manager," and we have to figure out the context and the flavor of that in order for it to make sense or we're all going to waste our time.

Tyler Christiansen:

100%.

Matt Slepin:

But you know more than they do actually about the technologies in the apartment business. So that when you landed into their company, you're thinking of the breadth that they can't see outside of their own walls.

Tyler Christiansen:

Yeah. Well, and I think what's uniquely fun is being a part of a disruptive technology where there's very limited experience. So again, back in 2012, that was payments. I also worked to LRO and understanding revenue management, so I learned that language. But now I've learned the language of operations and particularly cross property or centralized operations. And so most of my conversations with executives are about, "Hey, how does this look when I move from a property centric model of one community manager, one assistant community manager, just the typical one to 100 ratio that folks talk about, they want to understand how did Funnel help Camden or Essex or Cortland or BH transition from that old model to a cross property model?

And you have to really know it. You can't have just looked at it at distance. You've had to sit in the contact centers, visit the sites and learn through trial and error what actually works for these things.

Matt Slepin:

It's going to be different in each use case. It's all going to be bespoke and adopted to what those companies are, even though you have the same concept going in the same direction. Okay, so when you started Funnel, when you left in the sales role and started Funnel, what was the vision and how did you leap off the diving board to do this?

Tyler Christiansen:

Yeah, well, I appreciate that. And I think as I referenced, I'm a husband, father. I take very serious my responsibility to be a provider. And so just important note, there was a predecessor to Funnel as well. I was originally recruited. Shout out for the recruiting industry to join an organization called Nestio in New York City. And Nestio was a relatively small company only servicing the broker community of New York. And so a lot of great innovative companies start in New York. Unfortunately, a lot also die there because they don't necessarily serve the needs of the general multifamily industry.

But I was recruited in to see that technology that I referenced earlier that was already kind of nascent of a single renter record within an individual community. Could we bring that to a multifamily audience? I spoke that language, right? So I spent the first year being in New York. Actually moved to New York for the summer to learn about the broker industry, learn about this Nestio business. And it was that first summer, the summer of 2019, that we launched Funnel. So from a small predecessor organization that was targeting brokers in New York, we launched a different version of the company and a whole new product line called Funnel. And the original idea, again, was much more focused on automating follow-ups and communication. The industry had shifted into a no longer having a problem of demand generation. It was demand management, right? The ILSs were just pummeling these CRMs with way too many leads and that leads to apathetic leasing associates.

And so the original idea for Funnel, and there was other products at the time doing something similar, was to really try and organize that chaos and as much as possible automate the responses to it. So that was the thread you mentioned as an entrepreneur. You kind of find a thread and you start pulling on it to see where does this unravel and what goes from here? And that has been a consistent one. To this day, the number one value proposition of our tool and probably other competitive ones is how much time can it save the leasing associates, right? By just taking care of the mundane, responding to the pet policy question, booking the tours. And again, it wasn't until we got out and started talking with customers that we had any notion of the fact that not only will this ... Yes, there's a clear value prop of automating communications, but there was this really disruptive mindset of centralizing operations. That we stumbled into the latter, but it only happened because we were passionate about solving the first problem.

Matt Slepin:

When did it move from lead tracking to now I have a CRM-ish one-to-one relationship between the owner of 50 apartment buildings and all of these residents? Because I think that's when the game started changing and you became who you are.

Tyler Christiansen:

Yeah, you're right. 100%. So that wasn't until COVID. I mentioned we launched Funnel in 2019, Denver Apartment Allies. Next week, a lot of us are traveling out to NAA for Apartment Allies. This was six years ago at Denver. We launched the funnel brand and the word centralization never left my lips. It was all automation, AI, and everything related to making that leasing process easier. When we went and started making progress with folks like Essex and Cortland in late 2019, they bought into the concept of, okay, we're going to change this dynamic. And again, to be very clear, like you mentioned, other legacy systems would take three inquiries at three communities and create three unique records.

PART 1 OF 4 ENDS [00:24:04]

Tyler Christiansen:

Three inquiries at three communities and create three unique records.

Matt Slepin:

Yeah.

Tyler Christiansen:

Funnel would take those three unique records and combine them into one and allow you to communicate with them across the properties, so we knew we had the ability to do that, or the potential, but it wasn't...

We started coding to make that happen in late 2019. In fact, our technical team flew to Las Vegas where Ethics has its contact center and was coding a contact center software for centralization over Thanksgiving, I recall vividly.

Now, the plan was in 2020 we were going to slowly begin testing these products in the wild, Cortland being our east coast partner, Essex being our west coast partner, and then of course the world shut down in March and it was sink or swim time for our business, it was sink or swim time for the product, and within a matter of weeks we had deployed across the entire Essex portfolio, the entire Cortland portfolio, and then that's when all the anecdotal and amazing outcomes started happening about...

To name one, Cortland all of a sudden could tell you for the first time that 20% of their leases started at a different community, that they acquired at Buckhead property A but they leased at Buckhead property B, and all of a sudden it was, "Wow. What does that mean for staffing? What does that mean for marketing? Should we create different customer journey paths from this information?"

Matt Slepin:

Mm-hmm. So the ripples started then. It's just so funny because you talk about COVID, and I know COVID was a long time ago but I'm an old guy, it was a minute ago, so you're describing everything in the last few minutes to me versus the history of the world. Just the speed of change is fascinating. And also, when you started you talked about automation and you talked about AI. Did you talk about AI and automation but not centralization? So three different words. And did you talk about AI at the same time that you were starting this? Because ChatGPT was still four years away or three years away, whatever.

Tyler Christiansen:

No, you're absolutely right. So yes, AI... But at the time, I could not have articulated to you the difference between AI and machine learning and the average consumer had no concept of what we were really talking about, and most of what we built would today be described as a rules-based chatbot. I mean, the level-

Matt Slepin:

Fair.

Tyler Christiansen:

... of intelligence was incredibly rudimentary with these tools but by the standards of the late 2010s, they were artificially intelligent because it could, for instance, tell you, Matt, that, well, your text message just came into my system at 2:30. My response is going to say, "Good afternoon."

That was the level of intelligence. It wasn't transcribing in Mandarin the pet-

Matt Slepin:

Was-

Tyler Christiansen:

... policy yet. That was-

Matt Slepin:

... not agentic at that point in time.

Tyler Christiansen:

Was not at all, right? And so to your point, the real initial focus for Funnel was automation. COVID helped us shift the focus to centralization. And then yes, most recently the focus has been about, "How do we take this amazing game-changing generative technology to create agentic outcomes?" As you just described. But you're right, there's always these inflection points that, in hindsight, come very quickly, but at the time...

I mean, as right now I listen to the podcast with the folks from RealFoundations. I think it might've been David who said, "AI blather. It's everywhere all the time, all at once." And I think we'll look back in hindsight and say, "Oh, those were both rapid moments and there was huge shifts and some things stayed more similar than we could have thought of."

But you're right to key in on the fact that yes, it was the COVID era that led to operators thinking we have to centralize, and really proving the use case in ways that, under normal circumstances, might have taken much longer.

Matt Slepin:

So we'll come back to centralization in a minute but the first thing I want to just land on your comment, which is, I'm an owner. I'm Essex. I have 50,000 apartment units and now I have a one-to-one relationship with my residents that I actually never had before because before that moment, each of those relationships were via the 60 properties, not directly to those people.

And then what that means, we're going to land on in a few minutes, but that was the kernel of the shift.

Tyler Christiansen:

That's correct. That was the initial impetus, and that's why I think the REITs play such an important role in our industry is they think about things through funds from operations, they think about things from a single ownership perspective, and so they bother to ask themselves, "Why are we marketing to this renter multiple times if we could know that they are one renter?" But absolutely. And to be clear, like any technology transition, frankly, probably the majority of multifamily today...

You know, Funnel's grown to two million units on the platform but the majority of operators today still think through property-centric and they're creating multiple records, so it's still more an anomaly than the norm to think about a single renter record but it is quickly changing. But yeah, you're right, that was the kernel of insight was, "Why create multiple records? I should have one record across the management company."

Matt Slepin:

Fair deal. And so couple threads there. Thread number one is that the REITs were the most natural place to do this, although Cortland's not a REIT but the REITs were the most natural because they have single balance sheet, multiple properties, so they're already thinking in that way. Plus they can make platform investments more easily than can, say, a third-party manager at the other end of the extreme.

Tyler Christiansen:

You're right. Yes, that's correct. The REITs, I think there's a reason revenue management started with them. There's a reason centralization started with them. And then you're right, the next closest thing to a REIT is a company like Cortland or Morgan, another large Funnel partner who are owner-operators vertically integrated that, they look like a REIT but they don't have to talk every quarter about their results.

Matt Slepin:

Oh, even easier. Okay.

Then a second thing, and here's a history lesson, I worked for the largest then-owner of apartments, hundred thousand plus units, this is a company called the National Housing Partnership, a long time ago, and so they were the first kind of...

Central's the wrong word but it was the first hierarchical well-organized apartment company, and the guy who ran the apartment management platforms, a guy named Lindsay Crump, and he came from the bowling alley industry if I'm correct in my recollection here-

Tyler Christiansen:

Wow.

Matt Slepin:

... because there were a lot of bowling alleys and almost all of them ran on one technology, which was AMF or AMG or... I forget the name of it but he did it and it was a hierarchical business. So there's a guy in DC named Lindsay, and then he had head of operations but then he had five regional people and they have district people, and the district people ran three properties or 10 properties each, and it was this very much of a military-like chain that had many stops between the central office and the property, and that's the business that everyone did, and half the companies, or two-thirds or most companies still do that very hierarchical management scheme, but you're enabling that to be totally blown up.

So we're-

Tyler Christiansen:

That's correct.

Matt Slepin:

... coming from that to this new thing, so I want to think, then, about what that...

Well, any reactions to the hierarchical experience that I'm describing to you, that's the model, right? The old model.

Tyler Christiansen:

It is. And then, yeah, so that's the old model, and then I think if you combine the fact that that's being done even at large third-party managers, it gets far worse when you add to the fact that the technology, because of this single asset management ownership construct, which makes sense in that context but you get such siloed operations and that's why I think any other industry of our size would've by now found far more efficiencies. But you mentioned bowling. The industry I like to explain to people...

So I have friends who know nothing about multifamily, like, "Why is Funnel growing? What are you guys doing? What's so special about it?" And I describe to them that the multifamily industry is a little bit like car dealerships; that historically you don't buy from Ford, you buy from whatever your local Ford dealer is, right? Gary Brown Ford, Matt Slepin GMC. And these businesses are completely fragmented and there's no economies of scale. If I go to the next Chevrolet dealer, they don't know who I am and they have their own whole staffing model.

Matt Slepin:

Right.

Tyler Christiansen:

And so multifamily, to your point, is created this franchise fragmented model that just is highly inefficient. And again, it only makes sense if you're thinking about the financial books. But one of the things I highlight for folks of the inevitability of this all going away and moving towards this centralized model is we're not that different as an industry, from hospitality.

In hospitality there could be a courtyard on one side of the street and a residence on the other, and they're both Marriott properties and people say, "Well, it's because they're both Marriott."

Yeah, but Marriott doesn't own both those properties probably. They're just even a brand on them. They could be two unique management companies, and certainly are likely to be two different owners, but they've realized, the hospitality industry and we as consumers, have realized it's better to have a connected experience.

For the consumer, "I like to be able to stay at a different hotel and they know who I am and I can bring my points with me." And for the operator, they can be far more efficient if they start looking at their portfolio as a collection of assets rather than individual siloed franchises. So, yeah, that definitely-

Matt Slepin:

Many them-

Tyler Christiansen:

... resonates with me.

Matt Slepin:

And many of them, their relationship is not at all through ownership, and it may also not be through property management. The relationship is totally with the person staying in the hotel that night.

Tyler Christiansen:

That's correct.

Matt Slepin:

It's the head of the-

Tyler Christiansen:

Yeah, I-

Matt Slepin:

... bed that night, is that relationship.

Tyler Christiansen:

No, I think as an industry, hospitality...

Their technology's not great. I love looking behind the screen in the technology industry. I mean, it's like DOS software they're running, but the operating model is far more efficient and I think because of the dynamics that play in multifamily, we've run it as an incredibly inefficient industry for a very long time.

Matt Slepin:

Okay. So let's talk about what centralization then means. If I have this hierarchical management model that Lindsay Crump at NHP invented 50 years ago down the hall from me, a little scary, but if we think of that model and then you're going to blow it up, what can be centralized or regionalized or hubbed? And then once you do that, what are the ripple effects of having a hub or a call center or a central this or that? Because the ripples are huge. You can't-

Tyler Christiansen:

They're huge.

Matt Slepin:

... go halfway. Or you go halfway but you got to be conscious about what's halfway, what's not halfway.

Tyler Christiansen:

No, you're right. And hopefully folks have followed along to this point but this is where the conversation requires a graduate level understanding because you can both do what you described... And I've seen it many times. You can blow up the old model. And that's the biggest thing to maybe understand is today, if I am an asset manager and I'm hiring a third-party manager, it's kind of one-size-fits-all. You get a community manager, assistant community manager, and a set number of maintenance and leasing associates. That's the existing model. No if, ands or buts.

Matt Slepin:

Yep.

Tyler Christiansen:

If you move to a centralized model, to your question, it can look like, on the one extreme, no one on site, and we have seen that, and the only person who comes on site is a roaming maintenance person who is there to plunge the toilet but everybody else is doing remote work.

Now, that is possible. I would not say that's the norm. I think folks think that's the norm. It's not the norm.

And then on the far other end of the spectrum of where you're just dipping your toe in the water, and this is where most third-party managers have to start because as an industry, we've created this relationship between asset manager, and I say that knowing the jokes but specifically somebody who owns the property and someone who they pay to manage the property for a very low fee, and they're on a month-to-month contract and those contracts have stipulations like you can't have your staff work on a different property, and so we've...

And this is very similar, again, my car dealership analogy. Tesla and Rivian and other EV startups have said, "Matt, you buy the vehicle from me and then I'll give it to you. I'll ship it to you or you can pick it up at a showroom but there's no dealership model."

Ford and Chevy, they're trying to catch up because they're stuck in their old contracts. There's literal business implications to saying, "Can they sell you the car or do you have to buy it local?"

So the third-party managers, for the most part, their relationship with their clients, they have to dip their toe in the water and say, "Well, my clients probably aren't okay with me sharing leads."

Generally that's the mindset today, although I think it's outdated and it's going to go away eventually but they're absolutely okay with me moving administrative work off the community level, and that's something I would say, across the various viewpoints on centralization, that there is alignment on. It should result in less administrative work being done at the property. There's just no reason to have a class A property, or even a class C property, with an office being utilized to work through renewals. That can be done offsite. That can be done by a renewal specialist, and so the specialization that starts to happen when you take things off-site, that's where you get into myriad implications of a model that looks different for each customer.

Matt Slepin:

Mm-hmm. And renewal specialist. Just think about that word for a minute because there was always someone who was a leasing agent or the property manager who would do that, but now that's a specialized function across an entire portfolio.

Tyler Christiansen:

Correct, yeah, and that's where you start to see both cost efficiencies. So, Camden again, being a public reach, shared that moving to Funnel and the staffing efficiencies that came with that saved them $4 million a year because instead of having ACM in every community, who 10% of their time is renewals and then fill in the blank on every other thing, you can have one group of renewal specialists who get really efficient and you can build software to support them, and you can optimize for that workflow, whereas when it's, again, 10% of an ACM's job, you're not going to find cost savings by automating that. So yeah, renewal specialist, fraud specialist, leasing specialist, collection specialist; you can think about all those different functions uniquely when you aggregate the work across multiple communities.

Matt Slepin:

Uh-huh. And when you have a job like that, let's keep playing with that for a few minutes, the more specialized that job is, then you can have AI play a role in that job. You can't have AI play a role in an assistant general manager who does 10 different things, but you can have it play a role in that centralized role of leasing renewal specialist.

Tyler Christiansen:

That's absolutely right, Matt. I mean, we have long advocated at Funnel that centralization and automation, or AI, are two core pillars of what we call the new operating model. It's an operating model that's more efficient, it's better for consumers, and it's more likely to lead to higher retention of associates. So that new operating model, again, is centralization and automation, and if we get to consult our partners on how to do this... And of course they can do it how they want but to get the highest ROI you should do centralization first and automation second, for exactly the reason you just described, that when the 10% of work is spread out across all these different pools, all these different bodies, you can't really get the cost savings. And the most obvious example where our partners, in particular the owner-operators, early days, saw huge cost savings is...

Let's just use tour scheduling, Matt.

Matt Slepin:

Mm-hmm.

Tyler Christiansen:

Again, go back seven years; vast majority of tour scheduling was done human to human, "Let me check my calendar."

Literally we sat in the Essex contact center and timed them. The average time at the Essex contact center was eight minutes to schedule a tour. Eight minutes! Because they were looking at papers and asking, "Oh, does this property have the pool or does that one?" It was so manual. And moving that into a centralized group like Essex had done, we could automatically say, "Let's put all of that into AI." And where are the cost savings?

So the average call handle time by building a centralized workflow and adding AI got cut in half because a lot of renters never called anymore because they said, "Well, you know what? I can just go ahead and book it myself using AI. Give me the options. This is what I'm looking for." But then also creating a specialist, a tour booking specialist, which is a crazy concept but it was valuable, that was a huge time savings. And so you saw these contact centers, which, one thing that's important to recognize, it's a really important thing to bring up, in the world of AI there's a lot of conversations about the impacts it's going to have to the workforce, and they're good conversations to have.

Our industry, we don't need to worry about them. Let me tell you, this is my opinion.

Matt Slepin:

Mm-hmm.

Tyler Christiansen:

The reason why is that I think you'd be hard-pressed to find an industry in America that has more empty jobs, has worse turnover than we have, particularly on site, and so the opportunity to reduce the job postings far outweighs the need or the likelihood of us just eliminating leasing associates altogether. I think we're going to have leasing associates in multifamily forever. I do. I don't think we're going to zero but we're going to get away from the really high turnover. In particular, high turnover in contact centers.

Those jobs, Matt, they are impossible to keep staffed and so AI is going to replace a job that nobody wants and you can't keep staffed, and in its place what Cortland has is they have a hub where instead of being the person handling a hundred calls a day saying, "What's your availability?" Cortland's hub follows up with the people that have booked tours using AI or have a bespoke question, and they jump in and they guide them, "Hey, I've got three communities in Mesa. Let me tell you about them." So it shifts away from high volume, low value, to lower volume, higher value by centralizing first and automating second.

Matt Slepin:

So, you said a lot of things there. One of them, if you get rid of the seven minutes to schedule, I didn't know when I do a booking scheduling thing online that that's AI. The word AI scares me but booking online makes me happy, so I've been using it forever. Or the last five years. We all have.

Tyler Christiansen:

That's right, and there's a lot of nuance to that. In some cases is, again, rules-based, heuristic, "You want a tour. This is it. Yes." In other cases it's highly conversational, right?

Matt Slepin:

Yeah.

Tyler Christiansen:

We went live with our newest version of our chatbot and day one it booked a tour in Mandarin and then answered a pet policy question, and so the AI, some cases needs to be highly sophisticated; in other cases, Matt, it's just understanding your preferences and populating a self-service tool.

Matt Slepin:

Uh-huh. Fair deal. And then in passing you made a comment earlier but then you doubled down on it, and the passing was higher retention of associates. So one thing that we know is historically in the apartment business the average turnover onsite I think is 50 to 60 percent per year. Something like...

Not of residents, although residents too, but of associates, and if you can cut that turnover down from 50 or 60 percent to 30 or 40 percent, you're making a massive difference in the bottom line and it must mean that you're creating better career paths. So does the thing that we're discussing create better career paths and happiness and retention for the workforce for Essex or Cortland or AvalonBay or whomever?

Tyler Christiansen:

Yeah. This one is a unequivocal, empirical yes. It is so clear to us now with our partners that retention rates skyrockets in this new model. I mean, we've seen as high as 90% plus for partners like RMR or GID Windsor, and in particular when they're clear, to your point about what they're trying to achieve, and they are very clear... You know, I would give Windsor a ton of credit for this, they pride themselves on their relationship with their renters and their associates.

When they introduced what they called Windsor 2025, they said, "The point of this is to create bigger, better jobs and so we no longer want you to feel like you have to leave Windsor just because you're a really great leasing associate, and so maybe you want to go be a sales manager in a software company or..." Because we had these career paths that were nonsensical. It was, "Hey, you're great at sales. Let's move you to admin as an assistant community manager." And if you're good at the admin, "Now we're going to make you a front office leader as a community manager."

The career paths were really like ping-pong versus now many of our partners have roles such as regional sales leader. That person maybe never wanted to do the renewals back office work but they wanted to be the person who's thinking about training other salespeople. And we've also introduced the word sales into multifamily, training them on, "Hey, how do you do a high touch close?"

And these are big deals. I mean, I'd mentioned earlier car sales. These leases are $30,000 a year transactions.

Matt Slepin:

It's a good point.

Tyler Christiansen:

Right? Like why not have a really charismatic, well compensated sales associate that's there greeting and leaning into that?

And going back to the point earlier about different models, it is very unique. We've got partners like an organization up in Canada called QuadReal. They were our first to centralize in Canada. The only roles they've left on site are resident roles, so resident ambassadors. They're really leaning into renewals. And when a tour comes through, they want somebody who knows about the resident experience.

What is probably more common is to have that really charismatic, high EQ salesperson standing at the door ready to greet you. And I would challenge anybody, walk into a Cortland community, walk into a Camden community, a Windsor community, you'll see this. They're no longer stuck behind their desk doing the busy work, right?

Matt Slepin:

Mm-hmm.

Tyler Christiansen:

They've got a team that can help them do that. Their job is to engage and close the leases that are ready to be closed.

Matt Slepin:

Mm-hmm. And if I'm engaging and I'm closing, am I also the person who helps the resident while they're there for their 12 months, and hopefully the next 12 months? Is there hospitality service coming from that as well?

Tyler Christiansen:

Yeah. That's a huge opportunity, and obviously it depends on the asset class type and that's where you're seeing certain operators, they are leaving a community manager on site and they're operating like that concierge. They're the high value, super knowledgeable individual. And this is where technology plays a big role. The majority of renters, and I remember myself not long ago renting an apartment, don't want to walk to the leasing office. They would rather pull out their phone, and this is the concierge. Just like when I'm in a Marriott now, I don't want to walk down and order my food. I want to pull out my phone and say, "Okay, what are my options?" Or, "Can I schedule a late checkout?"

I don't even want to pick up the phone. I just want to tap into here. And so I would say by and large, the folks that are really treating their residents excellently start with technology because the data is clear, the majority of consumers don't want to walk to the leasing office. They want to just engage with you via technology.

Matt Slepin:

Let's stick with that one for a minute.

Tyler Christiansen:

Yeah.

Matt Slepin:

Again, I've been in this world for a while and I'm one of those people who prefers to engage through technology, not from human to human, and I'm a people person. But nevertheless, if I'm ordering food, I'd rather not spend the time engaging with a person.

I don't mind that but because the renter has changed, and someone said on the podcast they've all been trained by Amazon how to interact with the world, so we're trained on how to do that but not everybody is, so the range of behaviors by residents-

Tyler Christiansen:

Correct.

Matt Slepin:

... doesn't work in seniors housing, probably. My mother could've never done that.

Tyler Christiansen:

You nailed it, and I think that's where right now we don't do a good job as an industry. And this is one of my favorite topics to talk about, in branding, the consumer expectation experience, and so again, going back to some of...

Think of any vertical you'd like, but for me I'm going to keep it with hospitality. I-

PART 2 OF 4 ENDS [00:48:04]

Tyler Christiansen:

... any vertical you'd like, but for me, I'm going to keep it with hospitality.

Matt Slepin:

Mm-hmm.

Tyler Christiansen:

I know, depending on the type of hotel I'm in, what expectation is. Many hotels that I stay at don't have a concierge, I wouldn't go down and ask for certain things. Others do, others have room service, others don't.

I think that there's a huge opportunity right now, and you see this with some of these large, mega managers, and I'm not speaking at a school because they've talked about this publicly, but probably the best example I've seen, Matt, is Greystar has a brand called Ltd. And with Ltd., they're incredibly transparent. There's no leasing office. You have an app. There's a number you can call.

And because of this, the trade-off is you get the cost savings passed on to you. So similar to when I walk into a Walmart, my consumer expectations are lower than when I walk into even a Target. You just know I'm getting some cost savings, but I'm probably not going to get a lot of help.

Now, I think that, generally speaking, there are things that residents absolutely know they need to have, they need to have maintenance, and they need to have communications around the renewals. They deserve to have those, and every type of asset should optimize for it.

But outside of that, that really depends on the value you're trying to create for the renewal. If you're doing a lot of community events, then yeah, maybe you do want somebody who's a resident ambassador because you're in Austin, which is a highly competitive market, and you're just trying to get that renewal so you're indexing and investing into that.

But it's a great point, but I will say, again, Essex doesn't have leasing associates in the office. And then, Cortland who does have associates in the office, they can guide them to a renewal specialist, say, "Hey, you know what? I saw that you got your renewal offer, I can see that in the system here, but if you want to negotiate it, that's not my job. Here's the number you call." And Cortland has a renewal specialist.

Matt Slepin:

Because that leasing agent could be Hospitable and not have to be the negotiator, which are two different skill sets and faces that you want to show. They may go do that other job at night.

Tyler Christiansen:

Exactly, right? And that's a huge opportunity of a lot of folks want the flexibility of either working from home or they want high-volume, high-income opportunities, and they want to go into an office. So you as an operator, this is where I said it really opens up the doors for you.

You can create a customer service experience to meet your needs, but it doesn't have to look the same because again, today, all of that happens on site, you're overwhelming your staff. In a centralized model, you can pick and choose, what is the on-site team, what is a centralized team, and then what is AI going to handle?

Matt Slepin:

Mm-hmm. And you can also have someone there in the middle of the night because they're a middle-of-night amortized over 200 properties or whatever it is.

Tyler Christiansen:

Correct, 100 percent.

Matt Slepin:

One of the recent podcasts was with Korman, who I am guessing you don't work with, but I have no idea, but they're-

Tyler Christiansen:

I don't.

Matt Slepin:

... very, very heavily Hospitality oriented and heavy people. We got three people at the front desk willing to, "Hey, do you want a cup of coffee while you walk out the door?" That's important to their brand and it matters.

But they could be part of your system too. It could be high touch, low touch, medium touch, this doesn't matter. That's the choice, either per property or per different kind of owner or perspective.

Tyler Christiansen:

That's correct. That's absolutely right. Yeah, we have class A, New York City, Boston assets that are renting for $6,000 a month. And we've got garden-style class C assets that are making intentional decisions about how they service their properties.

And it's evolving. Even our partners that have been on Funnel the longest, they're constantly changing what roles are work from home? What are in a corporate contact center? What's on site? So we finally have broken out of one model, but we are nowhere near settling into another.

Matt Slepin:

Fair deal. So let's talk about different parts of the industry. And then, I want to talk about AI towards the end of the conversation. But I want to think of the applicability. You've talked a lot about both Cortland and the REITs, so you've put them in GID. So those are companies you've mentioned through the conversation.

And it's less natural in a third-party manager because they're managing for others and others may not make the same investment or view the property manager serving them if they're sharing leads or whatever you've said. So how does this work for third-party managers versus a REIT?

Tyler Christiansen:

Yeah, this is great. And I would highly recommend anybody check out Dom Beveridge's white paper on this topic where he talks about centralization and third-party management.

The first thing to note is while most disruptive technology and multifamily starts in REITs, it then moves to owner-operators and then goes to hybrid owner-manager.

The best example for us is a wonderful partner named BH. They own about 50,000 units and they manage about 50,000 units, some of those being BTR. And they have the incentive as an owner-manager for half their portfolio to really embrace this. So they started their own contact center, they started with their own assets.

Now, the reason they are now offering those services to the third-party clients is because they've proven to themselves they can deliver a superior level of service.

And what's the job to be done if I'm a third-party manager? The job to be done is to deliver better service than the next manager down the street, right?

Matt Slepin:

Mm-hmm.

Tyler Christiansen:

And across the board, if you're doing centralization, it should do that. It should deliver a higher level of service at a lower cost. And so, BH was one of our first clients that offered and branded this centralized service, they call it the Mint Experience, where it's a point of differentiation for them, where they say, "Hey, you know what? We think like an owner, we act like an owner. If you want a contact center where we're going to do A, B, or C service, you can buy that from us."

And so, it really begins to look more like hospitality in that I can choose the residence and has a profile of the guests that stay there, or I could choose a Ritz-Carlton, which is going to be more high-touch, probably more staffing.

And so, third-party management, I believe, is in the middle of an evolution towards, instead of just selling staff on site and these terrible relationships where, "I'll fire you on 30-days notice," I think we're moving towards a world in which I'm really hiring a business outcome.

I want a level of service that ensures collections are being followed up with. And these kind of, in software, we call them SLA, service level agreements, where my clients expect the Funnel is up 99.9 percent of the time, and that's in my contract. And if I fail to do that, they can ask for a credit.

Well, I think the same thing is going to be true in third-party management. Today, because it's so fragmented and it's all on site and they're constantly turning over, they just say, "Well, I don't care. I'll fire you on 30-days notice."

I think a much better model would be to go and say, "Hey, you know what? I know I'm paying a little bit of a premium for this Mint Experience," or Greystar's got offerings, RPM and ZRS have offerings, but it's worth it to me because I know the level of service is better than what I would get at the bargain price. So I think we are moving towards more differentiated service models.

Matt Slepin:

And when you use the word service, I'm finding it interesting because I'm an owner, I'm a Invesco or somebody, and I'm using one of these third-party managers.

And the service that you're talking about is not necessarily the service to the resident, it's the service to help me have better NOI and help me have predictable less hassle with you to get that better NOI.

Tyler Christiansen:

Correct, right? If there are going to be clear drivers of outcomes, whether that's through our customer service that I want to guarantee you do.

So as an example, we partnered with Greystar on their centralized Renewals team, and one of the things clients want is they want to know is everybody getting followed up with personally? And maybe that starts with AI, but at some point, I want a human to reach out and make sure that they know their renewal offer was there and ask to go through it with them. It's possible to do that in the old model, it's far harder.

In all reality, we don't know if the property is going to be staffed well enough, they're going to be distracted by a million things happening on site. It's much easier to achieve 100 percent attainment levels or fidelity levels if I have a team that's only focused on that thing, be it collections or renewals or whatever else. So yes, I think it absolutely is.

Matt Slepin:

You can't measure it otherwise.

Tyler Christiansen:

You couldn't.

Matt Slepin:

I mean, just bluntly, I can measure that central [inaudible 00:56:21]-

Tyler Christiansen:

No. "Well, they walked in, I had a conversation," how do I know that happened? Right?

Matt Slepin:

Right.

Tyler Christiansen:

But in a system like Funnel, there is no way to fake completing your task. You have to make the call, you have to log the call, you have to send the message. All of it is crystal clear that you're changing these service levels.

And again, I think that's a healthier version of the asset manager-fee manager relationship than the one in which I can fire you because I just kind of feel like you're not doing very good.

Matt Slepin:

So if we look ahead, I want to think of different parts of the industry and I want to think of different size companies and I want to think of different sophistication, so, so much to talk about.

But to afford to do this, do I have to have a certain scale. And let's say I'm not a third-party manager, I own a portfolio. If I have 5,000 units, can I afford to put in this kind of centralization or call center or whatever that is? Do I need 20,000? What's that mean? Talk about that, scaling.

Tyler Christiansen:

Yeah, really, really great question. I think like any business, there are unique opportunities that come with scale and size, but that does not mean that the benefits are solely accessible to them.

So to unpack that a little bit, we have phenomenal partners like a Monument out of South Florida, Kane out of North Carolina who are sub 10,000 units and are achieving very similar results to their REIT peers.

Now, they may not be doing some of the heavy customization and investing in things like high amenity resident portal tools, right? That's not something that they're budgeting to do, but they're absolutely leaning into the idea of specialized leasing associates, specialized renewals associates.

And I think when used properly, technology is more of a democratization tool of, it levels the playing field of Camden has access to certain technology, so does Monument.

In my experience, and Matt, I would imagine this is true in your recruiting efforts, it still really comes down to the same things that I learned way back when I was in college about business, which is culture, culture, leadership, execution.

There are large operators who cannot get out of their own way. And they have all the resources in the world and all the technology in the world, but they can't execute on these things.

And then, there are small operators who are running circles around their larger peers. They use their lack of size as an advantage to say, "Hey, we can get the same technology, we can move quicker, we can deliver a better experience."

So I don't think that size is necessarily a criteria for success or lack thereof, but I will say that the technology, we have seen it be implemented successful, and we've had failed implementations at all sizes.

Matt Slepin:

I think scale does matter, but I like that democratization is a good word because technology is available to everyone. So two years later, the small companies could get access to the same stuff, but they can only buy so much of it at a certain size of scale.

Tyler Christiansen:

That is true. And I will say that if you are running a portfolio the size of Camden's, it's possible to save $4 million with it by improving your unit ratios. The ratios would probably look the same at smaller operators, but they're not going to save 4 million.

And I will agree with you that, generally speaking, the volume leads to benefits if you have all the above. And so I think that's why it's, frankly, incumbent upon the smaller operators in particular to be leveraging this technology, to be leaning in and delivering a high quality experience.

Because there will be, our point of view, and this shows up in our data, is the bigger are getting bigger, and those who are doing these things well. Especially, again, if you're delivering a superior experience to your client, being your asset manager, you're going to be awarded with more units. So I think the smaller operators in particular really need to be embracing this technology now.

Matt Slepin:

And dig into the difference between, I'm saving money doing this, or I'm doing a better job so I have less turnover of residents and less turnover of associates. How much of it is I cut 4 million bucks out of my bottom line, or did I save 4 million bucks through lower turnover, or which, or both?

Tyler Christiansen:

That's another example of, it really comes down to the operators choice of what are they trying to optimize for. I think what makes the REITs unique is this focus on FFO, which I love because it's just everything is a little bit cutthroat at the end of the day. Like I need both.

Matt Slepin:

Mm-hmm.

Tyler Christiansen:

Right? And so, if there is a lever to pull that makes me more efficient, I'm going to pull it. Versus, often, the private clients will tell me, "We have no intention of trying to find cost savings. We believe so strongly that if we deliver a better experience, it's going to show up in both lower cost savings, we're going to have lower turnover, we're going to be able to retain people better and make them more efficient over time, give them more responsibilities over time and ultimately, in higher renewal rates, higher rents." So I think depending on where you are in that spectrum influences the objective you're looking for.

And there is a correlation of how willing are they to start with pain. One of our newest partners, UDR, they centralized before Funnel, and they did it by going out of industry and they bought technology and built it themselves, spent a lot of money doing so, to your point earlier about the scale.

But they were clear that, "Hey, we are willing to deal with pain as a first mover. We're going to close leasing offices." And only now, when implementing Funnel, do they feel like they can kind of have their cake and eat it too. We get the efficiencies of a centralized model, but we really want to elevate the customer experience simultaneously.

And so, you can optimize for one or the other. I think you have to be very intentional, have a great culture, which UDR does, they've been a phenomenal partner, if you try and get both. Better customer service and cost savings, it's tricky, it's possible, but it requires a lot of leadership.

Matt Slepin:

And let's think about the words you just used, "going through pain." You have to go through pain to get to this, but you're going to go through pain to upgrade your accounting management software as well.

So there's pain points happening technology-wise all the time in these companies, and they keep having to evolve the operating platform to catch up with the technologies or to implement those technologies, but there's a lot of pain along the way and then you get a couple of years of breather until the next pain point. Any comments on that? And how do you help them through their pain?

Tyler Christiansen:

Great. Yeah, great question. And I think since you had our friends at RealFoundations on last time, I'll counter. They're phenomenal. And we use RealFoundations for a number of partners. They exist in many ways to help with that pain and that change management.

And if I can give David some truth serum, though he doesn't need it, he's always straightforward, I think that changing property management systems, and I sold property management software, I think you're hard-pressed to come up with a real clear ROI what you're actually doing more efficiently.

Can you cut a role at every single property? No, you can't. Can you genuinely increase renewal rates 2%? Doubt it. But there's enough evidence now with centralization, and maybe you could excuse it and say, "Well, the REITs are unique," but we have small operators as well that just don't have assistant community managers at all.

And the math is pretty easy. If you can eliminate one role at every single community and do that through attrition or do that when job openings come up, the cost savings are going to be there.

And I would also say, you ask any operator who made it through the pain and fully implemented a change management concept, and they will tell you their customer service is elevated and they couldn't go back to that.

Now, to your question of, can we help with that? We can. And we actually have a consulting service that provides what we call centralization-as-a-service consulting.

But by and large, I'll tell you, it comes back to the leadership of each organization. There's this wide spectrum of results that we've seen where when you have an organization that's kind of at war with itself, they never get the results because they're just looking to prove something doesn't work.

When you've got an alignment, top to bottom, like you see in, UDR, who rolled us out recently, GID, Kane, Windsor, these are organizations that knew why they were doing it, brought in the resources to do it, and got really great outcomes. So that pain, they always felt like it was worth it.

And that shows up. We track end user sentiment. There's something called net promoter score. In the organizations that start with why and really lean into their teams, the end users love the tool because they know why they're using the tool, rather than being forced upon them.

Matt Slepin:

One of my favorite parts of the conversation with David and Chris last week was about what kind of executives. Where does the ownership of these decisions sit? And so, is it the CEO? Is it the COO? Is it the chief technology officer? Is it the board of directors? And I'll ask you this question in a moment.

And then, the other question is, what's the breadth of buy-in to do this? Because it takes the whole organization to move to make those decisions.

Tyler Christiansen:

Yeah, no, you're absolutely right. And I think that does correlate with, again, strong cultures. In my experience, I've helped companies change software, for the last 10-plus years, they do start at the top. And you usually need a bit of an outspoken leader who's willing to say, "This is what we're going to do, these are the outcomes I want, but I trust you to manage the details."

I think when you have kind of a, "Well, let's try it," or, "I'm going to be in every detail, and you're, if you fail," none of those work.

And so, there's fantastic leaders, Andrew Livingstone at Greystar, Tom Sloan at Windsor, Scott Moore. And frankly, Cortland's a great example. The CEO, Stephen DeFrancis, he doesn't get in the weeds, but it's super clear what he's trying to achieve. And then, he empowers his team, he says, "My CTO, Scott Moore, he's going to figure out how it's possible. My chief experience officer, Mike Gomes..."

And by the way, chief experience officer, it's kind of a newer role to multifamily. Whenever I see a company has one, I get really excited because it means that somebody there who's got the power of the purse said, "I care enough about experience to pay a full-time executive to think about this." So whether that's the folks at Cortland or Continental, another one of our partners, chief experience officer, usually, is a really great designation.

And then, they go out and do the evangelization with all the stakeholders, and operations being the most important stakeholder because at the end of the day, if you have happy team members...

I think a lot about, at Funnel, one of our unique advantages to beat our competition is do people love working at Funnel? Right? I'm here at the Tampa HQ, do people get excited to come to work? Will they deal with our failures? And if they do, we're going to be great as a company.

And so, I think that's operations and multifamily. The asset managers, the accountants, I've sold to them, I understand them, I love them. I started the show, Matt, by saying they make the industry work, but they shouldn't really care that much about the technology that the operations team picks because if the operators own it and embrace it, they can achieve magic at the site level.

Matt Slepin:

I want to think of the old hierarchy versus the new hierarchy. And I'll tell another story like the Lindsey Crump story. If you think of the Lindsey Crump model of this hierarchical site managers or leasing agent to site manager to district manager to regional manager, up that food chain, a lot of what drove that model in the old days were people who started in leasing, wound up getting seduced by the business, did not finish college. They were like one or two years through college, wouldn't finish college, then start going up that food chain.

And one of the limitations in the business is you had the business largely populated by people who didn't have the sophistication of either finishing college or going through graduate degrees.

Tyler Christiansen:

Yeah.

Matt Slepin:

I'm thinking, in the new hierarchy of those roles that you've just described in the last few minutes, now you have business leaders versus people who graduated up the hierarchy. And the business leaders to run the call center or the business leader to run the renewal center, those are big jobs with different kinds of people coming into the industry versus those who just kind of came up the food chain. Is that-

Tyler Christiansen:

Right.

Matt Slepin:

... probably right?

Tyler Christiansen:

Yeah, no, it does turn the whole model on its head, and it absolutely takes advantage of career path that didn't exist before. And I think of, you mentioned kind of these different career paths, and contact center being one of them, there's a gentleman who runs the contact center at BH, and I don't know his background per se, but Andre Washington, the man is so sophisticated and knows his stuff intimately. He could run contact centers at Delta, right?

But I get to meet his team members. You meet these folks that run organizations like Christi Weinstein, the COO at BH, those are now roles that mirror the site and the customer service experience so much more. They're thinking about the same problems, rather than, to your point, it was such a different job when I'm siloed into the leasing agent, and then I move up into the community manager. I think that we are turning the model on its head.

I also will say, just anecdotally, as a kind of demographic shift, my industry was one where college degree attainment, particularly for females, was much higher. So most leasing associates that I meet now are college educated, and it's a good job to be a leasing associate now and today, especially when you start thinking about the intersection of leasing associate and the technology they get to use. I mean, it's a white collar job, and if I'm doing it in an organization that has centralized sales opportunity, I could make six figures.

I may actually not want to be a manager because I'm a really highly compensated sales associate. So I do think we're going to elevate the status of the every job in multifamily and make those jobs look more corporate, like the roles they would hold at the top of the typical hierarchical food chain.

And I'll say, I am very excited about the new titles we're seeing in multifamily. Never before would you have seen postings for a director of centralized operations or regional sales manager. And those are roles that, not only can folks grow into, but they're also going to attract a sophisticated kind of leader from other industries. So I'm seeing more folks from hospitality. I'm seeing more folks that kind of come with certain gravitas, and really elevating our industry as a whole.

Matt Slepin:

Cool. I knew the answer to the question that I asked a few minutes ago as a recruiter was a selfish question because I was going to the direction that you're now creating a more professional industry across the board. You gave great examples for that.

We haven't talked specifically about AI, it's been throughout the entire conversation. And you have an AI tool, and maybe a separate company that runs this for you. But let's riff on, for a few minutes, what it is to have the sophistication that you can to bring to this. What does the word agentic mean? We hear about this all the time. What are the other ripples of this? Kind of demystify this and bring it into what we've talked about through this conversation.

Tyler Christiansen:

Yeah, I'm really excited to talk about this, Matt. And yeah, from day one, Funnel, our first tagline, before we knew that we were going to be the renter-centric software, was the automated software. And so we've always believed in AI and automation.

But you're right, when you said earlier, the world changed dramatically when these generative models came out, and it really brought everybody up to the latest and greatest.

And what that means for leasing associates is that the job, and again, this is where I said it's a more corporate job, they're not doing the things I did as an entry-level salesperson. Half my day-

PART 3 OF 4 ENDS [01:12:04]

Tyler Christiansen:

They're not doing the things I did as an entry-level salesperson. Half my day when I was an entry-level salesperson was note-taking and entering in by hand, "Oh, the call was about this. Then I'm going to call them back next week." With the AI that Funnel has embedded in our tool, all of that is automated. I finished the call. The call is already recorded, it's transcribed, it's summarized, the phone number's in there, and in fact, we're working on, "Okay, well let's just schedule the next step for them." And that's what, you asked the word agentic. AI is a technology, much like the internet that can be applied to a lot of things. Right?

Matt Slepin:

Mm-hmm.

Tyler Christiansen:

Agentic is more a description of a modern type of software that actually takes actions on your behalf. And so there's a few examples that already exist in multifamily. One that we've talked about already is tour booking, right? And so if you, Matt, were to look at a community and you said, "Hey, I'm interested. I want to know the pet policy." You're chatting with an AI agent. But then it actually, you say, "Well, I want to come by on Tuesday. Can you give me a tour at 3:00?" And it goes, and it looks at the calendar, and it books that. There's no human on the other side taking those actions. So a bot or a chatbot is really answering the question. Agentic software is taking action to do the thing. And that's where everybody's very excited about is, "All right, so far in multifamily AI has primarily been about answering questions. Can we go to a world in which it is actually taking actions on my behalf and freeing me up again, to everything we've discussed focusing on higher value consumer interactions?

So Funnel started with the question answering portion. We're extremely focused now on, for many of our partners, we do everything from application screening, lease signing, move-ins, rent payments, move-outs, renewals. We do the whole workflow. And in those use cases, it's really fun to think about, "How can we empower leasing associates who today still have quite a bit of button clicking to do?" Where, "Okay, I know I had this conversation, that my renter ready to renew or they're adding a roommate."

There's some unique nuance that required me as the human to sell them and to bring value. But now, rather than me going through a bunch of fields, and filling things out, and clicking buttons, could AI take my conversation and take the actions for me to generate the renewal offer, send the renewal offer, collect another payment, whatever it may be? And that's what it's really important. One of the things people are thinking a lot about is, "Does this favor incumbents that already have the software, does it favor disruptors?" You said early on, "Funnel is a disruptor." The answer is only time will tell. But we feel very excited at Funnel that we've got great partners and great technology because we're all learning together about these new agentic outcomes.

Matt Slepin:

So one of the outcomes, if the renewal center could be that, the agent thing is not just getting you started in the process but actually completes the process because they know what the renewal rate should probably be.

Tyler Christiansen:

Yeah, these things already exist. So you mentioned we have a new company, so we launched a new brand. We acquired the assets of a company called LeaseHawk. They were an early adopter of AI technology in multifamily. And so we acquired their technology, their assets, and then are replatforming it with a partner called Sierra. Chairman of OpenAI created this company called Sierra. And they do things, to use your example, if you're a Sirius XM subscriber, and you're thinking about canceling your subscription, well if you go on the website and engage with their chatbot, you're going to have the opportunity to negotiate with AI. Right?

Matt Slepin:

Mm-hmm.

Tyler Christiansen:

That same use case can exist for renewals. What I believe per our earlier conversation, and Matt, you understand the humans of this industry very well, I think that there is not going to be a rush to the lowest common denominator. I think there is going to be a rush towards the best outcomes, which is, "How do I ensure that my residents get the best experience and my clients, the person that owns this building, gets the highest renewal rates possible, the best rents possible, highest renewal rates?" And that will be a combination of AI in humans.

Because as you said, I'm similar. Oftentimes I don't want to pick up the phone or walk to the leasing office. I would rather engage with the AI tool. And there's other times where I just want to speak to a human and you should make that easy for me. Now, to put a very specific point on what you said, there is a demographic of renters today who won't tell you if they're going to renew, and they just have one outstanding question. That's a great use case for AI.

They say, "Hey, am I allowed to add a pet to my lease? I'm thinking of getting a puppy next year." And AI could absolutely answer that question. But then, if you want it to be truly agentic and you don't want a human involved, which again, that's preference, you could, and the consumer may want that, because maybe they're asking this question at 2:00 AM, then you could empower the AI to go and take actions for you in a system like Funnel where you say, "Hey, they're good to go, send them the renewal offer." Or, "I'm actually going to give you the agency AI to give them a 2% discount. Go ahead, update it, send the renewal offer." So we're early innings, but that is what agentic software would look like.

Matt Slepin:

A couple of points to that. One is we don't want it to hallucinate very often.

Tyler Christiansen:

That's right.

Matt Slepin:

That's very important, but that's a joke. But the second thing is something you said early in the conversation comes back to me, which is if I want to renew at 2:00 in the morning, but I only speak Mandarin, this can do it.

Tyler Christiansen:

That's right.

Matt Slepin:

Your human probably can't do Mandarin, or Spanish, or whatever.

Tyler Christiansen:

Or it may not be possible to staff in all the time zones that people want to be answered. And so there are a lot of use cases where AI is going to be better than the alternative outcome. I don't think it will be all the outcomes or all the pathways, but you're absolutely right. And I will say we've made a lot of progress, we being the technology industry in general in the last two years on hallucinations. So as a quick example, we don't use AI to fill in the pricing field. We put a blank template there. And that's a rule. So it cannot make up its own price, but it can generate the conversation in whatever language it may be with the proper context. And it says, "Well, I'm authorized to give you fill in the blank discount." You, the operator say, "You can only give a 2% discount." And it generates that. So it's a combination of rules and

AI, and those are the experiments we have to run. Because you're right. AI is still very much early in terms of what it can do.

Matt Slepin:

Right. An interesting thing that you've said is that you've partnered with Sierra to do this, so you're not writing AI code yourselves, your partner does that, and then you bring the AI into your business, and you're writing the code for that.

Tyler Christiansen:

We do both. And I think that the nuance here would be there's a lot of unique use cases. So for instance, our partner Sierra are much better at a 2:00 AM Mandarin conversation about the pet policy. That's something that, the edge cases and really cutting edge technology. What we know is multifamily. And for instance, the highest converting communication in the leasing journey is a well-timed followup email. And Funnel uses AI for that. And we'll continue to keep on staff machine learning engineers, data scientists, so we have the optionality of, "When do we use this tool versus when do we use our own?"

And the reason we partnered with Sierra, though, is I mentioned earlier was that what is now Entrata. And in 2012 it was really cool to build your own payments technology. And that was a unique differentiator. No technologist in the world today would start a software company and say, "You know what? I'm going to build my own payments technology." You would just use a tool like Stripe, which makes that super easy because it's a commodity now. And so we think the ability to have a conversation in any language is going to become a commodity. So we're partnering with the best company in the world at it. But the edge cases of, again, our industry, the unique nuance of integrating a Blue Moon lease into an email for instance, that's something Funnel does really well. And we're going to continue to own those parts that are multifamily specific. But we didn't want our partners to be behind the cutting edge. We wanted them to be at that cutting edge where appropriate.

Matt Slepin:

Yeah, we've talked a lot about the apartment business here, and I want to ask a complicated question as we begin to wrap up. The complicated question is are we ready for this? And I'm thinking of two different challenging questions. Question one is the RealPage lawsuit, where the government may not be ready for how the apartment business behaves, or operates, or what's written into the code of how we do our business. And then the second thing is, in the world, and I talk about this all the time on Leading Voices, people hate the word landlord, they hate the word developer. Those are the two things that our business does. So we're hated, but we shouldn't be hated.

Tyler Christiansen:

Right.

Matt Slepin:

And nothing that you said in this conversation and nothing we talk about in Leading Voices would have people in the general population want to hate our industry.

Tyler Christiansen:

Right.

Matt Slepin:

But I fear the things that we're talking about as things that could make us be mistrusted. So go forward a little bit, think about the application of this, think about the challenge that our industry has in the public sphere. Think about the legal questions.

Tyler Christiansen:

Yeah.

Matt Slepin:

And then let's land your business in five years and what does all this mean?

Tyler Christiansen:

Yeah. Well, Matt, again, I think it goes back to something I've said quite a bit here, which is leadership matters, culture matters. Why you do what you do matters. And I said, "The reason I love this industry is I love providing housing to individuals." We were very intentional early on of creating a 501(c)(3) inside our business. It's called Home. So every time Funnel helps somebody sign a lease, we donate $1 to helping an individual find a home. And I think we haven't done a good job of an industry of showing how committed we are to the core reason we exist, which is to provide quality housing for renters fairly. So for our business, we're always going to make sure that's front and center. And we have daily decisions to make, Matt, to your point, that none of us can predict the future. I'm sure if the folks in question would've known the future of revenue management, they would've picked to market the technology different or to use LRO candidly, which didn't use proprietary lease data, and use the market traffic data.

We don't have that crystal ball to know what the future looks like. But I will tell you, we get confronted probably on a daily basis, but definitely weekly with forks in the road on, "Should we use AI to do this or that?" And I think that as a industry, the whole world hasn't settled these questions. We should, agreeing with your point, be very conscious of the perception. So for instance, Funnel has taken a very conservative approach on rent collection because there are tools out there that are being borderline abusive in the way in which they're going out and trying to find collections information. And I think that humans are better at having those empathetic conversations about setting up payment plans. Now, there's some basics there that absolutely should be automated.

Another example is Funnel. I hate as a consumer how much my phone rings, Matt, while we've been sitting here it's probably rang 10 times with spam calls. So we will never do, and put this on the record, auto-dialers. A lot of our competitors do auto-dialers. I think that's going to get sued into oblivion, right?

Matt Slepin:

Mm-hmm.

Tyler Christiansen:

We're not going to hide things in leases. And so I think that it really comes down to leadership and every organization making conscious decisions for the betterment of our industry. So that's not a really succinct answer, but let me tie that into what you said about, "Where is Funnel five years from now?" If we continue on the trajectory that we're on, something like a quarter of apartments in America will be using Funnel. And that would make me very, very happy and very proud. I love driving with my kids around the country, especially here in Florida, and pointing at a building, and saying, "They're using Funnel. That's so cool. The people there pay their rent on Funnel." But I think that if we look forward, I feel very confident that the industry will have a better perception because we are going to provide a better renter experience and a better associate experience.

And I think that's already showing up, Matt. Our friend Jay Parsons likes to talk about renewal rates are ticking up as an industry, and I think it's because we're delivering a better experience for renters. We're also seeing, all of Funnel's partners are seeing higher retention rates on associates. It's a better job in multifamily than it was in the past. So if we continue leaning into the great leaders we have, like the folks that I hear on your podcast, there's been a lot of them leaning into why we do this. And yeah, we're all trying to make a profit. We're all trying to create a better industry, but at the end of the day, we're providing quality housing to Americans, and Canadians, and everybody in our ecosystem. I think that it'll end up very well for us.

Matt Slepin:

I agree. So last question on Leading Voices is your advice for a young person entering into the real estate business?

Tyler Christiansen:

Listen and learn. And I think that if you do that and you learn the language of the industry, whether you go into technology, or recruiting, or asset management, you'll be incredibly successful. And there's a huge opportunity, given the disruption that's happening, to be a young professional coming into this vertical because what your boss' boss knows is getting upended today. And so you learning the industry as it changes creates enormous opportunity.

Matt Slepin:

The number of facets to the industry. I'm thinking of that from this conversation. There's all these traditional roles. There's half a dozen traditional roles, but you break it down, there's dozens of roles.

Tyler Christiansen:

Yeah.

Matt Slepin:

And we've covered a lot of facets that are now exist in the industry never did before.

Tyler Christiansen:

Yeah, no, it's fascinating. And I love this industry. And I mean, frankly, Matt, I think all the time about going over on the operator side, because I just love it so much.

MUSIC:

(instrumental music)

Tyler Christiansen:

And I've spent a decade on this side. Yeah. The facets and the nuances are incredible.

Matt Slepin:

Wonderful. Tyler, thank you so much for what you're doing. Thank you for being on the show.

Tyler Christiansen:

Thank you, Matt. Thank you for doing this podcast. I really enjoy it.

Matt Slepin:

So Deepali, welcome back to Leading Voices. You were in the last show. We talked about RealFoundations. Today we're going to talk about Funnel and the podcast that we did with Tyler Christiansen. And the way I look at it is the RealFoundations was kind of an intro 101 course. And then the Tyler discussion was really a deep dive into a use case that in many ways is transforming for those who use it or their competitors the way multifamily operations works. And I'd love your thinking on what you heard from that, what it means for technology, and especially what it means for AI.

Deepali Vyas:

Excited to be here, Matt. Thank you again for the invite back.

Matt Slepin:

And introduce yourself very briefly.

Deepali Vyas:

Sure. Deepali Vyas. I'm the global head of data and AI at ZRG Partners, which really means focusing on the cool talent in the data and AI space.

Matt Slepin:

Okay, cool. So thoughts on listening to the Funnel discussion with Tyler?

Deepali Vyas:

Yeah, and I think one of the things that I wanted to focus in on, which they were really good about just talking about real estate operations and where I wanted to infuse some of my point of view was where AI is actually transforming real estate operations. So AI is no longer a back office tool. In multifamily housing, it's moving to the front lines. It's about automating leasing workflows, centralizing resident data, enabling predictive maintenance. But I feel the real unlock, and Matt, you and I talked about this a little bit before, is agentic AI. So software that doesn't just analyze or recommend, but it takes action. And I think that's the future of operational efficiency in real estate.

Matt Slepin:

One of the things that we talk about on the show, and you and I discussed before is that because of these technological advances, the operating platform has changed. So now apartment owners and managers might have a call center, and they have specialized roles with someone who knows how to run a call center, people who sit in a call center, and they may do leasing or renewals there. But once you have those very defined functions as compared to an assistant general manager on site who does a little bit of everything, those assigned functions, AI can come in and support that. Is that the leap that enables this stuff to happen?

Deepali Vyas:

Yeah, I'm glad you asked. And I wanted to focus on talent trends around these centralized models. We are seeing reshaping of that talent map. And so as operators move towards centralization, roles are becoming more specialized, so renewal specialists, virtual leasing consultants, digital ops managers. So the industry is borrowing playbooks from SaaS and retail and companies that upskill early and hire for these hybrid skill sets, like the tech fluency with service empathy is going to win. So you're right, there's going to be newly created roles, but I think there's some upskilling opportunity for the folks that really know the operations and they can upskill into these areas.

Matt Slepin:

So two questions. One, you just said something, "Tech fluency with ... " What words did you use?

Deepali Vyas:

Service empathy.

Matt Slepin:

Unpack that one a little bit and I want to ask you about leadership in these spaces.

Deepali Vyas:

Yeah, absolutely. I think that, as I mentioned even in our last podcast, real estate and hospitality together means service. What can we do for that end customer experience? And so when we think about that, we always think about moving forward with empathy from a service perspective. And so when there is tech fluency, like I said the last time, I would love to have that hyper-personalized experience when I am entering in any of these properties or experiences. So someone that has the tech fluency that's going to be able to automate a lot of things, where they can focus on the customer experience and deliver that service empathy, if you know what I mean.

Matt Slepin:

And then talk about leadership within these defined functional areas. These are roles that never existed in the real estate world. They might've existed in the, as you said, hospitality world, call center for Marriott, or something like that. What do those roles mean and what kind of talent comes into this and what are career paths for that? And last question in that line, does that increase the sophistication of MBAs who come into leadership roles on the operational side of these businesses?

Deepali Vyas:

Really interesting question, and I think you're asking what leadership looks like in a centralized, AI-driven property management world, per se, or at least part of that. So I would say as companies centralize operations and layer in AI, they do need a completely different leadership structure than traditional property management. So it isn't just about replacing leasing agents with software, it's about re-imagining how that business runs. So we're going to see a shift from generalist property managers to leaders who oversee platforms. So think about from property manager to platform operator. So these platforms are not just properties, these leaders think in systems. So that means workflow optimization, tech stack performance, customer experience across sites. It's a mindset shift from local control to centralized orchestration.

Matt Slepin:

I want to leave it there because there's a pregnant pause to what that means for the future. We're not going to get to answer it, but I'll give you one more shot at the discussion because this means a lot of different things for the enterprises that we work with. They need support in a different way. And if you're too far behind that curve, you're too far behind that curve.

Deepali Vyas:

Yeah. I'll just make a couple of points here. So the watch-outs for AI in these resident-facing tools, as an example, the biggest risk isn't tech, it's trust. So AI tools that handle rent collection or resident communication, it's got to be transparent, it's got to be ethical, it's got to be human-backed. And one misstep in tone or typing can erode that brand equity. So operators really need to treat AI implementation like reputational risk management. And I'll say the strategic takeaway that I, after listening to the first half of the podcast, AI is leveling the playing field. So you don't need massive on-site teams to deliver this premium experience. You need the right systems and the right people behind them. So centralization plus AI isn't just like a cost savings, it's a strategy to really future-proof operations and deliver consistency at scale.

And last but not least, I'll just say when we double-click on the leadership part, here's the four things that I think about, systems thinking, people that can manage scale and complexity, tech fluency, which is people who can work across platforms and vendors, people leadership, they're going to guide teams through major change, and then experience design, so can center the renter and not just the process.

Matt Slepin:

Another question, because you hit this one, it levels the playing field. There's different playing fields and different ways to look at what that word means. And one of the questions I asked Tyler on the podcast was, "Can small companies compete? Do you have to be huge to be able to afford either the technology itself, or the discipline, or the setting up a call center, for example?"

Deepali Vyas:

Yeah, I think the technologies are so advanced these days, Matt, that it really is fairly low cost for high productivity or high output and high impact. So I think some of the small companies can be extremely disruptive and/or play with the big boys, if you know what I mean, just by implementing the right technologies.

Matt Slepin:

Cool. I love to hear that from so many perspectives, because small and bespoke should also be successful in the world. It may be the middle size that's hard to do.

Deepali Vyas:

Totally agree.

Matt Slepin:

It can't be just giants.

Deepali Vyas:

No, absolutely not. I think a AI provides an opportunity for the smaller folks to really level up to what the big folks are doing. I really believe that.

MUSIC:

(instrumental music)

Matt Slepin:

Okay. Deepali, thank you very much for being on the show and for this commentary. I hope that you enjoyed today's episode. Please remember, if you're enjoying Leading Voices to share an episode with a friend or get them to subscribe. If they're podcast wary and not sure how to find and subscribe on their phone, go ahead and take their phone in your hand and subscribe for them, and add another few of your favorite podcasts to their list to get them started. They'll thank you for it. You can also find episodes of the show on our website, which you could find at zrgpartners.com/leadingvoices. And if you have comments or discussion about this episode or Leading Voices in general, if you're seeking help in real estate human capital solutions, recruiting or consulting especially, please contact me at msleppin@zrgpartners.com. Thanks for being a listener to Leading Voices.

PART 4 OF 4 ENDS [01:35:34]