

Keller Williams learns from loss of key vendor

Barbara Wray Special To The Austin Business Journal

Losing the critical services provided by a vendor can jolt a business. Having a little reaction time allowed an Austin business not only the opportunity to find a replacement vendor but to refine its approach to selecting vendors.

"Losing our service provider was like knowing a tornado was coming ... [and recognizing that we were going to] lose all our stuff," says Darren Bien, chief operating officer of Austin-based Keller Williams Realty Inc., known as Keller Williams Realty International.

Keller Williams was a customer of Austin-based Jump.Net Inc., a provider of Internet, Web hosting and co-location services.

Hosting.com, the Web hosting and Internet connections division of Dallas-based Allegiance Telecom Inc., bought Jump.Net in January 2001 and renamed it seven months later.

"They announced the switch in 2001 but by early 2002 were starting to cut services. Times of access to the facility, customer service availability ... were all being cut back to cut expenses. We couldn't live with the degradation of service and chose to find a new hosting provider," Bien says.

By August 2002, Keller Williams was online with the Austin branch of Thornton, Colo.-based Internet data center company Inflow Inc.

"This was a real shock to the system. We'd been rolling along, thinking our infrastructure was relatively under control. It called to light the lack of preparation we all have when it comes to relationships with vendors," Bien says.

At the time, the company was undergoing a rewiring of its online presence when it realized a change was necessary. That rewiring immediately was put on hold.

Keller Williams needed to ensure continuous service for its Web site, hosting of more than 17,000 agents' sites, 250 market center sites for franchisees and private-label email communication for its agents.

After the initial shock wore off, Bien says, some of the first steps company executives took were to take a hard look at Keller Williams' needs, gain a better understanding of critical services and document all of that.

Next, Keller Williams considered all available local vendors. After assessing each company, the pool was narrowed to three finalists. Keller Williams submitted requests for proposals to those three. Bien and a small team toured the prospective vendors' sites and met with the management teams as well as the "day-to-day people."

"We focused on the people and the management team as much as the facility itself. It's easy to become enamored by the facility, but you can't forget that you're dealing with people," Bien says.

The process included plenty of time determining each vendor's technical competencies, management style and structure, and behavioral characteristics. Keller Williams staffers played "what if" scenarios, talking through and testing reactions to potential problems. One of the key requirements was finding an organization that communicated in the same way as Keller Williams does.

"Normally, when something goes wrong, you don't have time to go through definition and clarification of what you're saying. It's usually 'all hands on deck,'" Bien says.

Keller Williams also focused on how each vendor planned to deal with exceptions to more predictable events.

"How a company deals with exceptions can be very telling. It was a rigorous process and frustrating for our vendors, but we came out with a mutual understanding," Bien says.

Although the list of criteria was extensive, flexibility and a willingness to accommodate the company's needs were paramount to Keller Williams.

"We found Inflow to be very customer-centric in terms of dealing with us on exceptions. Typically, there are standard services and if you deviate, it's a fire drill," Bien says.

"Does the vendor put the facility first or the customer? Inflow did all they could to adapt to our needs. They manage a stable facility, and we respect the lines they've drawn."

Cameron Brown, general manager for Inflow in Austin, says Keller Williams did several things that enabled Inflow to perform a good job.

"Keller Williams was straightforward about their needs. They have a technically skilled, diligent staff that provided detailed answers so that we could better serve them," Brown says.

When a company is precise about its needs and desires, it can better determine whether a vendor can do everything required, Brown says.

Mark Cooper, vice president of Austin technology consulting firm Athens Group Inc., says companies should consider several things when choosing a technology vendor:

- Use an organized process. Determine criteria and decision-makers.
- Investigate the vendor's financial stability.
- Check references. Use your professional network, not just references provided by the vendor.
- Establish a process for measuring the service you receive from the vendor.
- Determine whether the vendor's interests align with your company's interests.

From the vendor perspective, what should the customer be certain to include in the decision process? Evaluating the company's financial stability is critical, Brown says.

"You don't want to have to move co-location equipment. The expenses, labor and down time may affect your operation," he says.

Customer service can vary dramatically among companies and can affect a company's ability to fulfill its promises.

"Customers have certain expectations about delivering to their customers. You need to ask if the vendor shares that value. Customer service is not just putting on a nice face, it's being able to execute. Customers just really need us to perform," says Brown, adding that it's important to consult existing customers with similar scenarios.

Bien says the whole experience "was like changing the sparkplugs at 100 miles per hour."

"We had to ... manage the changeover on our side at the same level Inflow did. We put the Web site development on hold for 90 days. That was the price we paid to assure continuous service," Bien says.

One of the biggest changes at Keller Williams that arose is that certain staffers are responsible for tracking vendors of these types of services.

"We only raised our head when we had problems before. Should this situation arise again, we're not going to spend 30 days trying to figure out who the players are," Bien says.

With the technology switch out of the way, Keller Williams launched its new Web site in February. It provides an inventory of more than 700,000 homes across North America.

In preparation for the enhanced site, Keller Williams has provided agents with more education about available tools. Even before the new site came online, traffic on the agent sites increased 250 percent during the past year. Keller Williams' corporate site traffic is up 160 percent for the year.

"We expect traffic to go through the roof with the redesign," Bien says.

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