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YSP Podcast Transcript: Episode 252. Strata marketing 101 - with Hedley Swann

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Intro: Welcome to Your Strata Property, the podcast for property owners looking for reliable, accurate and bite-sized information from an experienced and authoritative source. To access previous episodes and useful strata tips, go to www.yourstrataproperty.com.au.

Amanda Farmer: Hello and welcome. I'm Amanda Farmer, and this week, my guest is Hedley Swann. Hedley is the director of Strata Next, a specialist digital marketing agency for strata management companies. Hedley and his team are working with management companies right around Australia to improve the way they connect with their current clients, as well as their ideal future clients. Now, some of you may have seen me pop up in your inbox last week, mentioning a live chat I was having with Hedley over on the Your Strata Property, Facebook page just last Friday.

This podcast episode was recorded before that chat, and as I explained to those of you who were with us live last Friday, I so enjoyed recording this episode that I invited Hedley back for another chat on Friday Live to continue the conversation. So if you get a lot out of this episode, and I know so many of you will, head on over and have a listen to the replay of our chat from last Friday's live session.

Lots of you are tuning in live asking questions, giving us your own thoughts on the topic of strata manager marketing and all-around performance from our strata managers. You can view the comments and give me some thoughts of your own if you like over at facebook.com/yourstrataproperty, and you will see the video replay there on the page. But right here right now, let's get stuck into my first chat with Hedley Swan of Strata Next.

Hedley Swann, welcome to the show.

Hedley Swann: Thanks for having me, Amanda. It's great to be here.

Amanda Farmer: Pleasure to have you here with us today. Look, I always look forward to all of our guests, but I'm particularly looking forward to this chat with you, Hedley. It's still early enough in the year, I think for our strata managers, our business owners to be thinking about planning, planning for 2021, so no better time to be having this chat with you today. Let's dive in.

You, Hedley have been working in the world of digital marketing for some time, and now you're serving the strata space in particular. Can you share with me how that came to be, how you came to enter this crazy world that we call apartment living?

Hedley Swann: Yes, absolutely. I've been a listener of the show for some time now and a common theme with all professionals in strata is that wasn't really what they set out to do, it's where they ended up. It's something that you stumble into, and I guess I was no different. So like you said, I've been working in digital marketing for the past 10 years and that all started with the founding of a different agency called Dash.

And what we did in that agency was we did a lot of work with professional and business services, so the ones that we all know about; accountants, architects, those kinds of people in the market, people offering B2B services through business services, that kind of thing. And in that agency, we ended up stumbling into a few accounts with strata firms, and something that immediately sort of caught my eye there was one, it's a very sort of deep and commonly misunderstood industry.

And they have a lot of challenges when it comes to marketing, particularly with the uptake of digital where traditionally it hasn't been a strong focus in that industry. When we started working with a couple of these firms and really uncovering their problems, and their challenges, and how an approach to digital could be formulated for this particular field. And from that, we got so into it and started perfecting and testing a lot of these systems and tactics and strategies, and we're like, "You know what? No, one's looking

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after the managers around Australia, particularly in the digital marketing space.

Let's form this new agency and go out there and work with some really strong businesses that are really helping the communities that they serve and make sure that they're the visible experts inside of their local markets and that they're the ones that owners are choosing to work with." And so Strata Next was born.

Amanda Farmer: Strata Next, I like that name, I love the niche. The professionals out there who can wrap their heads around the gem that is finding a niche and there are strata in itself is a niche. And then there are levels within strata when you start digging into-

Hedley Swann: Many.

Amanda Farmer: Yes, the different challenges and every challenge has its own opportunity, so I definitely hear you there. Let's talk about that. What do you see as the single challenge, problem, frustration that strata management companies are experiencing when it comes to their marketing?

Hedley Swann: As you mentioned, there's a lot of different sub-areas within strata. A lot of firms that we've spoken to have a lot of different focuses, so you can imagine the nuances of the challenges they face are wide and varied. But the common thread, I think that comes across all of them is that how changes, particularly in buyer behaviour, are now influencing how management firms are able to reach the right people at the right time.

And to sort of go into that, I guess that what major problem breaks down to is, how are they targeting prospects in their market and how are they engaging those prospects consistently? So there's those really those two aspects of reaching the right person at the right time. And there's a bit to unpack there. In terms of targeting, what it really comes down to is, who do you want to be working with? When do you want to target them? When should you be targeting them?

A lot of strata firms make the mistake of going right to the end of that buying process, "*Oh, I want to turn up when people are searching for strata managers or changing strata managers.*" How many strata management firm websites have you been on, Amanda and you always see that link like, how to change managers? That you always see that as an option. Whereas, that's probably... it's too late in the process to be forming a relationship, so when in that buying process, you're reaching out and connecting with these committees or frustrated members within a strata scheme? That's really key. And then what to target. What am I going to say?

Hedley Swann: A lot of strata managers consider their own industry somewhat dry, or they understand that the members they serve aren't necessarily experts in the field. That's why they hire good strata managers, and so they think about, what do I target? What do I talk about? And then the consistency really comes down to just that. Do they have the time in-house? Do they have the people in-house? The resources in-house?

It can seem like marketing, there's this whole jumbled thing of, there are all these things I could do, but I don't have the time or the people, the energy, the resources to do it all, so where do I consistently put that focus? So I'd say they're the two biggest problems.

Amanda Farmer: Yes. Lots to unpack there. I think that is a lesson for so many of us when it comes to the timing of targeting our preferred clients, you will always want that pipeline of new people coming through. But I agree with you 100%, it's not good enough to say, "*I need a new building now,*" or, "*I want that building that's looking to change.*" There's a lot of nurturing to be done before then. And I think lawyers have gotten better at this, I can only speak from my experience as a lawyer.

We've gotten better at this over time, learning that being there in the background, educating, being a go-to, positioning yourself as an authority, producing content that educates people. Not because you think at that particular point in time you are attracting a

client to you to run their litigation, but when that person over the next 2 years, 3 years, 5 years, I don't know. You might tell me hardly what the lead time is here, you become front of mind for them when they need you.

And that's definitely something that I've seen lawyers get better at. It is the bread and butter of my practice, that's for sure, and running this podcast is a big part of my strategy there. So what do you for strata managers when thinking about that lead time, when planning? Because if they do the work in planning, this should certainly be embedded into their plan, I think. Is it 3 years, because that's what contract terms are that we think we nurture someone for that long?

Hedley Swann: Yes, it is wide and varied, but what I'd say is, think about how your sort of market breaks down. Like if any of our listeners today have gone in and looked at the breakdown of where people are at in the market at any given time, what you tend to find is, we've all seen those pyramids, that 3% are buying right now, and 7% are open to it. The next 30% think they have a need and so on and so forth.

So if you consider that in the space that you're at with the style of building, the style of buyer that you're after, there's going to be those people at different stages. And you want to think about, how am I actually going to target and engage with those people at those different stages? Because you're absolutely right, it's likely not to be 3 years. What we typically find is somewhere between 90 days, three months and a year is typical.

Because people aren't looking for a new strata manager the moment they've signed someone on. Right? It takes time for either problems to arise or for people to change within committees or the dynamics of the relationship change, or the manager they were working with moves on and now suddenly the replacement. Something has got to precipitate this point where they go, *"You know what? Something's got to move on here. Something has to change."*

And so what that really comes down to, and I think this is where a lot of strata managers get hooked up is they're like, *"Oh, when people are looking to change, that's when I want to engage them."* But just like you said, Amanda, you have to be in a position. You have to hold some space in their mind where they already have somewhat of a relationship with you. They at least know that you exist and they see you as a resource of education, of authority, someone that they can trust to even enter their mind when that point comes up.

Because if you're waiting until that buyer gets to the point where they're really frustrated with their current scenario. They want to make a change, they've gone out and talked to you and some competing firms in your area, and now they're looking at a stack of proposals, and that's when you start trying to build a relationship with them, it's too late. And that's when firms end up in this race to the bottom, because you've got a buyer who doesn't necessarily understand everything to do with strata, and they're all looking at very similar standard inclusions lists and a price tag. What else are they going to make their decision on?

Amanda Farmer: Yes, you've got to have that relationship. And I want to dig a little deeper into building those relationships and what your recommendations are, and how you help your clients do that. But before then I want to call out, Hedley, you said the words, the style of the building. And there was an assumption there, I think that strata managers or there are strata managers out there who know what kind of building they want to work with, or have an ideal customer. It's not everyone, it's not every building.

Is that the case? Or do you see strata management companies just going, *"Oh yes, we'll service everyone and anyone."*? Or are companies getting narrower in that way?

Hedley Swann: I think the companies that are going to succeed over the next decade or so are definitely narrowing their focus. Because the thing is that when you try and target everyone, you end up targeting no one. And it's not for your own edification, it's really about understanding that if you position your firm to say, *"We understand you, this type of buyer. We understand that you're going to have these challenges and these problems, and right now you're here and where you want to be is there. There's a transformation, there's a change that you want to have happened."*

Hedley Swann: You cannot position yourself as an expert for every single style of transformation out there. You have to choose, you have to specialise. And the more you can do that, the more a buyer's likely to look at your firm and say, *"You know what? This resonates completely with me with my situation. I can put myself in the scenario that you're building up in your brand and I want to be part of that. You are the right choice to help me and my building."* So, absolutely, specialisation is the way to go.

And that doesn't mean to say, you have to have one specialisation, you can have multiple markets that you're in, but you want to make sure that the messaging, the delivery mechanisms that you've got out there in the market to put those specific points in front of people are specific to those different segments that you are targeting.

Amanda Farmer: And talking about segments, anybody who is not familiar or hasn't turned their mind to this, the potential in targeting particular markets, Hedley, you can let me know how you do this for your clients, but I'd be thinking of things like specialising in brand new buildings that have just come off and you're still working with the developer, specialising in luxury high-end multi-million dollar apartments. What are some of these segments that strata managers can start thinking about, oh yes, I think I've got a bit of a speciality in that area?

Hedley Swann: The best place to start is to look back through your current client list and see where you are doing a really fantastic job. That's probably the place to start, but some of the other segments we've seen is, you can go as granular as you want, but some broad strokes here is you have strata firms out there that tend to target developers, so new buildings. And within that, you can build out a bit of a matrix here of segments in the market.

You've got targeting developers on smaller schemes and lots of those developers have different challenges to the mega developers who are doing 300 plus lot buildings. Then you've got existing buildings that mostly say, owner occupier or mostly investor-led. So those two schemes tend to exist and they have different challenges and different priorities. And then you've got these larger schemes out there as well or complex schemes where you might have two, 300 residential lots in a building.

And then you've got some commercial office space out the back end retail space on the ground floor, and how do those strata interact? And the complexity of the challenges that go on there are completely different to the other segments. And you're going to say different things to those different segments of the market.

Amanda Farmer: And that's the goal, isn't it? When you know who you're talking to, you know what to say. And you're ticking off one of those challenges you mentioned earlier, Hedley, I just don't have time to do it all. I don't have time to do any of it, sometimes it feels. But if you can subtract what you don't need to be doing, who you don't need to be servicing, then it definitely makes the task easier.

The other challenge that you spoke about was with the lead time and recognising that we need to be building these relationships, we need to be in front of our ideal clients sometime before they actually need us. What are your suggestions for how our strata managers can start doing that?

Hedley Swann: I think something that would be very useful here is walk through a bit of an example. This is why we need to have that very clear focus on who our buyer is at the start. Because like we said, if you're a scheme with say 30 to 50 lots, you going to have different challenges and issues, different problems, different pain points than 300-lot complex or tiered strata scheme out there. And so let's take that mid-size; 30 to 80 on what's right and you want to think about them.

What are the challenges that body corporate is going to face? And again, they're going to be varied, but it could be something like an unexpected major project or repair on the common property leads to unexpected upfront costs for each of the members. And that leads through to frustration for those particular members or that committee. And then those people might have an opportunity at that point to run into some frustrating circumstances with their manager, where they don't understand the communications

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coming through, or there's perceived lack of communication.

Or maybe they don't agree with some of the charges, or the appointment of maintenance contractors, or any number of things within this one scenario. And so that's where I think the trap is for strata managers, because then they go into, *"Oh, so what we'll do is we'll put messaging on our website, on our social media and say things like, 'Tired of uncommunicative managers,' or, 'This is how we communicate really well,'"* because they think that's the problem they're solving.

Whereas that's kind of a result, but the thing that triggered it was this unexpected or major repair inside of the building that led to increase unexpected costs for that buyer. And so what I'd be suggesting there is in this particular, how are we're creating as a firm content to help that person at that trigger point rather than when they get frustrated with the manager.

Because if they are in that point, they've had that experience that repair is costing them extra money, now they're frustrated with their manager. Well, if they don't have any of those roads, that's when they're going to jump on the internet or something like that, they're going to do that search. They're going to search about unexpected maintenance costs, what can I be charged? What can I be charged? What's fair? What's not? How much do these style of repairs typically cost? All of those types of searches.

So your firm needs to have content positioned for that problem, that initial trigger point, that pain point to connect with that buyer right there in that moment. Because if they keep falling through and not getting the support that they think they need from their manager, well, you've already shown and started a relationship. You've shown the capacity to be helpful around this very issue that's affecting them right now.

That's kind of step one, is we want to grab that attention at the moment that it's relevant to our buyer on their key pain points. The problem is that let's say in this example, they've done that Google search, they've ended up on your site and they read a blog article about this challenge. Oh great, I've got some useful information. Now I drop off and I move on. I try and solve the problem.

I don't necessarily remember the name of the web page I was on, the name of the strata firm, any of that stuff. So if there isn't a marketing system in place to then nurture that relationship forward, then that opportunity has been missed. This is something I see a lot of strata firms struggle with is, how do I capture someone at this point and stay with them until 3 months later, at the earliest, say in-between meetings where they can physically elect someone, or make a change, or propose a change in their scheme? How do we stay with them?

And that's where that system comes in where if someone interacts with your business, you need a method to then re-engage that buyer. And this is where things like your social media remarketing comes in. This is where your paid advertising spend comes in. This is where firm leaders may have heard of things like opt-ins or downloadable content comes in. We need to transition that person from being a viewer into being a leader, someone who's put their hand up and said, *"Look, I'm interested in what you've got to say and I'm willing to part with my email address or my phone number or some details to learn more from you because now there's a value exchange."*

And so the intricacies of that become really complex, and that's where a lot of strata firms get lost, and that's where someone like myself needs to be brought into, set that up and then help them execute on that plan.

Amanda Farmer: And I think the real key there is people, they're hitting the webpage, they're reading that one article and they want to learn more. They don't necessarily want to engage you as a strata manager or whatever service provider you might be, you're a lawyer, you're an engineer. They want to learn more about the topic, about how you can solve their problems and learn more about you. So what's the next step in that process. And it is not the giant leap to engaging you.

And that sometimes I think is the misunderstanding. You might get the lead, you might get the email address, but then either doing nothing with it or saying, *"The person read the article and they didn't engage me as their strata manager, so obviously they don't*

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like me." Not true. I know two people for years and years with this podcast and then they decide one day to join the membership. And that's an easy decision for them because they know me, they like me and they trust me, but there's a lot of work that's gone in before that.

Amanda Farmer: So thank you so much, Hedley for explaining that process, which can seem really overwhelming and really complicated. But if you think of it as that step, by step, by step, it doesn't have to be.

Hedley Swann: Yes. And I'll just add to that too, Amanda, that it is a process. It is something you want to build out. It's not something that you can jump in and just implement all in a day and have it all figured out. You want to move through it step-by-step, but the reward is you end up in this cadence were people that you started a relationship with without you even knowing, with them engaging through content, getting followed up automatically, receiving new content, getting to know, I can trust you like you just outlined.

You might have people that started that journey a year ago, and now this month, February 2021, suddenly they become an interested prospect, but they've actually been in your system for the last 12 months. And if you're consistent, that's why I say consistency is a major challenge, because if you're consistently doing this marketing, running these systems, engaging the buyers in your market, then you end up with that, *"Oh, we get inquiries that have been in our pipeline for a year. We get 3, 4, 10 of them per month going forward."*

But you're not going to get them in months one and two. Are you? That's why that consistency is so key.

Amanda Farmer: What do you say to companies that might tell you, and they could be the smaller businesses perhaps, or just starting out, *"I don't have the time and I certainly don't have the money to invest in marketing."*? What do you say to them?

Hedley Swann: I'm not sure that anyone who says that actually believes that, because if you're in business, then you're there to actually grow it. You're trying to grow a sustainable asset for yourself to achieve whatever goal underpin why you started that business. I completely understand the time aspect. Strata firms around Australia are filled with what I call seller-doer people. They're wearing multiple hats, they're a strata manager and they're also a part-time business developer or a strata manager and they're trying to do some marketing.

They're the front office admin person, and they're also trying to do a post on social media every day. There's a lot of seller-doer combo style roles in strata firm, so I understand the time. But then you get into that chicken and egg scenario of, if you take the time and make the investment and build out a system that's consistently doing this for you, then isn't that going to free up more time for you to spend on being a specialist, serving the clients that you should be serving, spending your time on touchpoints with them, delivering an amazing result, amazing outcomes to them, which is then going to refuel the system because it's more reviews, more referrals, more word of positive word of mouth that then goes back into the other end and around we go. So you've got to find the time.

And then from the money point of view, I think that that really comes down to risk. There is a lot of hype in marketing as we know. We've all been told the conventional wisdom, I got to post to Facebook every single day. And yes, it all gets overwhelming and people shout at them and say, *"Is this actually going to work. Now, I understand that that risk concern that's there. There's very little in this world that's guaranteed. But as far as marketing is concerned, what I can guarantee you what's going to happen if you do nothing."*

Amanda Farmer: Yes.

Hedley Swann: If you stay where you are, if you stick with the status quo, then you're going to get the status quo. But if you ask yourself, *"If I take the time, if I figure out who I want to be working with, what their problems are, I align with those problems. I become that authority of source of education and information. I have a system in place to begin and nurture relationships over*

time," do you think that's going to have a net positive effect on the growth of your business? Of course, it is.

So that's really what it comes down to is, I think it's more about the uncertainty. People say I don't have the time or the money, because they're uncertain of what to do, or where to begin-

Amanda Farmer: The return

Hedley Swann: ... or the return. But the return on nothing is nothing.

Amanda Farmer: That is very true. In my notes for this episode, Hedley, and I sent you some of them, I presumed, I think to say something along the lines of this is an increasingly competitive market. Look, you're the one to say that, not me. Do you see that from your end? Are clients coming to you saying, *"It's a race to the bottom? There's so many strata management firms out there now. Clients are hard to please. They're on Google, they're finding new managers."*?

Are you seeing that at your end? Or is there enough business out there for everyone to become?

Hedley Swann: I think this is about perspective because here's the thing. If you're sitting in your office and every now and again, you do that Google search and you're seeing other strata firms pop up in your area or in the markets that you serve. If you're consistently seeing these new entrance, what that should cue to you is that there's room. There's room in the market for those entrance to start for those perceived competitors to enter the market.

And if you're looking at the total number of firms are saying, *"That's too much for the size of my market,"* then what that should tell you is that 90, 99% of those firms are not operating very well. Because if they were, they'd be capturing large chunks of market share. And so, when it comes to that perception, what I'd say is, if you want to be in that sort of that growth mentality, if you want to be concentrating on what you can affect and what you can change is, I'd say change your perception of what competition really is.

Because the vast majority of the time, in strata, in particular, it's not another strata firm, it's apathy about the problem, how you deal with people in strata schemes all the time, Amanda. They probably have these challenges, these problems, these day-to-day niggly issues, but they're apathetic about it. It hasn't reached the point where it's going to propel them to make a change soon.

Amanda Farmer: Or they don't understand that it could be better.

Hedley Swann: Exactly. They don't have that understanding of those insights. Nothing has triggered curiosity into that. Or while these problems might exist in their scheme, in their complex, it's not affecting them directly yet. So there's a bit of apathy about the problem. Second biggest source of competition is really uncertainty about the solution that you offer because again, that understanding or you have a schedule of services, you have standard inclusions, you're going to take care of my care-taking you're going to do this, but this other guy says exactly the same thing.

How are you going to be better than the last guy that I'm frustrated with? Or how do you compare to this person over here? There's that uncertainty. Then you've got attention, just how many distractions are there in everyday life now? They might've read your blog posts, they might be engaged with your email list. If they're a developer, you've called them on the phone, *"Hey, have you got any projects coming up in the next 4 months? Do you need someone to come in and help you set up your owner's corporation?"* "Oh, no, not right now." Phone hangs up.

You've disappeared from their radar completely because 27 other little bells and whistles and notifications went off. So there's that lack of attention. And then there's awareness. Do they even know you exist in the first place? If a resident or a member inside of their body corporate, or maybe they serve on the body corporate committee, they're not happy with the status quo, with the current situation, but they don't even know you exist as an alternative, because you're not out there consistently engaging the market.

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And then finally just non-existence because either you failed to ship marketing in the first place, or you got locked up in that sort of perfection round-robin of, "Oh, maybe this video could be a little bit different," or, "We're just working on our website, I'm not quite happy with the colours," or, "I've got to choose a different font," and then it stays on launched because you're a bit frightened of putting it out there.

Amanda Farmer: Yes. Overly good points, and it's something that I'm often reminding friends of mine, colleagues of mine sometimes when they say, "Oh, Amanda, did you see what so-and-so was doing?" Or, "This other person in our space, a competitor?" And I say, "No, I didn't actually, because I'm not looking at what other lawyers are doing or what other traditionally known as competitors are doing. I'm trying to run my own race."

And something that I would say to strata managers, perhaps maybe large companies who think they've got this covered, and there's plenty of buildings out there, and we've always done well the last 20 years, so we just keep ticking along, is to take a look at what space you want to be in, who you want to be serving. Because if you are lucky enough to be in a position where you've got a great pipeline of work, financials are not an issue. Perhaps you can drill down into, how can I make this more enjoyable for me, for my team, for my staff?

Do I have an ideal client that I really want to serve? And I can get rid of the riffraff that doesn't really light me up and start drilling down into serving that ideal client. I keep using those words because those are the words that I use for myself, who is my ideal client? Can I enjoy my practice more, have my business thrive more by understanding those people, serving those people? And then you don't have to worry about how busy the market is, how many people there are out there to serve. You've got your focus, and I know that has helped me to know it.

Hedley Swann: That's a really good point. And on that one, I speak to a lot of strata firm owners, and I can tell you one of their major challenges from their point of view is finding and attracting and retaining really good staff, top talent. And I can tell you that one of the best ways to make you your firm attractive to high-performing strata managers who are looking for a change in their employer is through consistent marketing.

Because if you're at the top of your field, if you're really good at what you do, and you're looking for that next challenge, that next step to advance your career, to join a group of like-minded people, then you're going to base those decisions on the public perception of a firm. So if they are looking at your firm and suddenly they're seeing that you're providing insights into the market, you're consistently engaging clients, you're focused on that customer service and you're putting that service front and centre, and you're marketing that process.

You're solving the challenges of the market, you're at that forefront, you're on that bleeding edge from their perspective, they're far more likely to want to come and work at your firm. And then if you're using your processes and your systems to free up time so they can focus on what's really important to them, they're likely to stay at your firm because they're not doing all the perceived grunt work and the things that that managers don't like about their jobs.

Amanda Farmer: Absolutely. There's so much there in what you're saying, Hedley. I wish that we had more time. I think you're on my list for a repeat episode, that's for sure. I'll bring you back on the show. I do want to ask you before I let you go, what are your predictions for the future of our space? Can you give us the inside from the digital marketer's perspective? What should we be looking forward to or getting ready for?

Hedley Swann: I think it's a really exciting time and it really comes down to common sense. A lot of the stuff we've talked about today, and there's no rocket science like you keep mentioning ideal clients. It's not elite to say, "If you want to attract a specific type of person, you should understand that specific type of person. Cool." But I think in terms of the future, we're really seeing this consolidation and new entrance of technology.

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It is getting easier to do all of the backend processes of strata management. There's new tools and technology every day, there's new automations, there's new workflow processes, all of that good stuff. And that coupled with changes in buyer behaviour. You think about the people that live in these buildings, how are they now used to making purchasing decisions? It has changed a lot.

They can sit in their house, pull out their phone, press some buttons, and someone brings them whatever food they want through a service like Uber. They're used to a massive amount of transparency and ease in the services that they engage in other parts of their life. And now they're looking at the strata space and saying, *"Hang on. I don't really understand this. No one really seems to be offering insight into what's going on or what's right for me. The whole industry seems a little bit more opaque than it rightly should."*

They're going to get very frustrated with that scenario because every other purchasing decision in their life or service they engage in their life is getting simpler. So the management firms that are going to succeed over the next 10 years or so are the ones that realise that and they go from being these status quo firms to next-gen strata firms. They're not going to... I've got a whole list on this. This could be an entire topic for your podcast, but it's like you could have status quo strata firms.

They're going to be more like reactive triaged agents. There's a problem and then they offer advice, or something to do, whereas, a next strata firm is going to be proactive. They're going to become indispensable advisors to the committees that they serve. Status quo firms, they're going to offer lots of raw data that says where you are in your levies arrears, and this is what's going on here. And this is how many of this, and this is how much this costs. Just raw data. All of the technology at the fingertips of all the members, they've got that data.

So what they're going to crave, and need, and value is insights, context. What do I do about these levy arrears? What do I do to make sure that the insurance on my building is covering me and at a reasonable rate? That context and insight is going to be so big. The other thing too, I think, is that status quo firms tend to just do exactly what the strata scheme ask for. Whereas, next strata firms, they're going to figure out, okay, these are the services and the configuration of services and tools that this building needs to thrive, to protect the value of property, to protect the lifestyle of the residents within it.

And they're going to make sure and advise those committees to buy everything that they need and have everything in place that they need to make sure that building is going where it should be and is being maintained. Not just kept here, it's actually going to here.

Amanda Farmer: Yes. That bespoke service. I have seen plenty of status quo strata firms, and I have to say most of our strata management companies, I think, and I don't know everybody, but I think are falling into that status quo category, which is simply a matter of tradition, history. We are seeing a few of these next-gen firms come through and they're noticeable, at least to me. We went through this and are still going through this in the legal space. There's real parallels there, and it's not a fast process.

30, 40 years, we're talking about big law versus new law, these new law firms coming out, doing things differently and the legal profession starting to just within the last, maybe 10 years or so, pay attention to that and make some changes, and move these monoliths of the professional world forward. I think strata is just starting that process.

Hedley Swann: Yes, and you're absolutely right. There are those, the next round of firms starting to emerge. And we're talking to a few of them actually about what it is that they're doing, what they're trying, what they're testing. And a lot of it comes down to actively and consistently engaging their market, listening, learning from them, and then actually taking those insights and feeding back to the market.

We're saying, *"Hey, we understand that you're not happy with this, this and this or this. Well, this and this could be better. We understand that you're here and you want to be there. So this is how you can do that. This is what you need to consider."* They're positioning themselves as that indispensable advisor and they're not worrying too much about, is this my client or not yet. They're

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doing it for the market.

And so the moment that any of those buyers are in a position to make a change, who's coming to mind first? It's the people who have already provided value.

Amanda Farmer: There it is. Excellent. All right, Hedley. I have to wrap us up there sadly. There is so much more, we've definitely only scratched the surface here. Is there anything that I haven't asked you, which you wanted to make sure our listeners heard? Definitely let us know and tell us where we can go to find out more about you and Strata Next.

Hedley Swann: Yes, sure. Check us out at stratanext.io. And one, if I can just put in one little plug, Amanda, currently, we're running some benchmark research into high-growth strata firms. So we're really interested in seeing what makes high-growth firms tick and the way that we're going to do this is I'd love for at least 300 management firms around Australia to participate in this research survey so that we can collate and see, what separates some of the firms, why are some firms doing better than others and what are they focused on?

And then we can aggregate that insight and provide it as an industry report to help the entire industry improve. So if any of you are a strata manager, listeners, anyone working in strata or own a strata firm, head on over to stratanNext.io/survey, and participate. We'll take you about 10, 12 minutes.

Amanda Farmer: Excellent. And I will put a link to the survey and to your homepage in the show notes for this episode.

Hedley Swann: Fantastic.

Amanda Farmer: Thank you so much for your time today, Hedley. I am looking forward to you revitalising our strata sector.

Hedley Swann: I think there's a lot of challenges there, but I think at the same time, there's a ton of opportunity to connect really high growth firms, firms that are going to provide the best service with the members inside of our communities. And that means that everyone thrives. But thank you very much for having me on, Amanda. It's been a pleasure and I look forward to our next discussion.

Amanda Farmer: My pleasure. Keep up the good work.

Outro: Thank you for listening to Your Strata Property, the podcast which consistently delivers to property owners reliable and accurate information about their strata property. You can access all the information below this episode by the show notes at www.yourstrataproperty.com.au. You can also ask questions in the comments section, which Amanda will answer in her upcoming episodes. How can Amanda help you today?