

# B07.3

## Geographic information enabling business improvement. What is the user prepared to pay for? A client's perspective

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### Introduction

I think we need to introduce my presentation by keeping in mind the principal theme of this year's Conference:

**"The market for Geographic Information remains buoyant due to efficiencies, innovation and solutions G.I can bring to business processes, e-services and decision making"**

Source: AGI Conference at GIS 2003 Introduction

I would like to think that on conclusion of my presentation you will be better placed to assess whether that is the case in the parts of the UK Housing Market in which my business operates.

Furthermore, this being my first, and, hopefully, not my last participation in an AGI Conference I needed to become familiar with terms. Diligently, I sought guidance from the AGI GIS Dictionary to tell me what GI actually is and I found the following terms of reference:

- "Geographic Information is information about objects or phenomena that are associated with a location relative to the surface of the Earth. A special case of spatial information"  
Source: AGI GIS Dictionary
- "Spatial Information is information which includes a reference to a two or three dimensional position in space as one of its attributes"  
Source: AGI GIS Dictionary

To help, I concluded that I might be able to contribute to the debate if I made the assumption that, for my business, GI was likely to be information about houses, their history, location, environment, influences on them and their suitability to be lived in, peacefully, as homes. That seemed as reasonable a place to start and I hope you agree.

You will see from my biography that I am Chairman of enact direct legal solutions, one of the UK's leading remortgage and conveyancing specialists with a business integrated, vertically and laterally, with others in the Housing Market. enact handles volume business (25,000 transactions in -2000, 50,000 transactions - 2001 and 60,000 transactions - 2002) and processes its business on a technology platform based on its bespoke Case Management and Workflow System. We believe we are a dynamic operation and we work closely with financial institutions, estate agents and corporates to enhance the customer experience. We consider ourselves to be one of the businesses at the forefront of the e-conveyancing revolution and we are working closely with HM Land Registry, the N.L.I.S. channels and PISCES, the industry body defining new standards for data transfer in property deals.

enact is a business which should be prepared to use G.I to deliver its services, but what G.I. would we pay for?

Before answering that question, I would like to explain why a conveyancing business is interested in G.I.

## Conveyancing Business

You may be aware that there is a significant electronic conveyancing initiative underway at the moment sponsored by Government, being project managed across Government by the Office of the Deputy Prime Minister, where the primary aim is to create an e-conveyancing system for England and Wales which will make the homebuying process quicker, more efficient, simpler and less stressful. The power to implement this has been given to H.M. Land Registry under the new Land Registration Act 2002, all the relevant parts of which will be in force by end October 2003, and the Land Registry is intending to create an e-conveyancing network through which all conveyancing businesses will need to be conducted in the future.

The market is significantly large and the motivations to succeed are strong. The following statistics give an indication of the importance of conveyancing business:

- there are some 18 million separate ownerships of freehold and leasehold land recorded on the land register and 97% of that information is recorded in electronic form,
- there are 3 million dealings with those ownerships each year of which 1 million or so of those are residential homes,
- the value of registered land has been estimated at about £2,000 billion,
- there are believed to be over 10,000 legal firms providing conveyancing services, and
- research in 1998 into the housing market indicated that approximately £350 million a year is wasted on failed residential transactions.

Source: The Partial Regulatory Impact Assessment: e-Conveyancing, A Land Registry Consultation May 2002

Conveyancing Business is at the 'heart' of the housing market controlling the process through which the homebuyer and the mortgage process moves. Law Society statistics indicate that it takes an average of 13.1 weeks to complete a house sale or purchase once terms are agreed. Although, smarter more efficient conveyancing businesses are getting that time down to around 9 weeks, on average, this is a significant period during which the conveyancer can dictate or influence what happens, what information is used and how good the experience is for the home buyer/seller. Little wonder there is a focus on the need to introduce working smarter initiatives into the conveyancing process if the homebuyer's experience is to be improved.

The essential imperative is that a conveyancing business gives excellent service to both the homebuyer and the other transaction parties. From this flows the good or bad experience of the others in the market. Not rocket science but a concept which is fundamental to the successful implementation of the Government's e-conveyancing aspirations, which, I suggest, can create significant opportunities for us all as well as the consumer.

## Service Providers to the Conveyancing Business.

There are service providers in the market on which the conveyancer relies to deliver his/her service; they must give information and process it quickly. The key providers for electronic conveyancing are:

- Data Providers, delivering through NLIS or otherwise
- Providers of information for the Home Information Packs (to be introduced)
- H M Land Registry, and
- Indemnity Insurers

The vision for the electronic conveyancing model includes these service providers and integration with them will become essential to the conveyancing business.

## Receivers of Information From the Conveyancing Business

There are a number of parties who also provide a service in the house move/mortgage process and whose own service delivery standards can influence service delivery by the conveyancing business, In my view, the real nature of their relationship with conveyancing businesses is:

- the speed that they deliver their own service (which helps things along), and
- their need, very often, to receive information from conveyancing businesses (enabling them to deliver).

The clear examples of this are:

- Estate Agents eg. Halifax Property Services, Your Move etc
- Surveyors eg. Countrywide, Secure Move
- Mortgage Lenders eg. Nationwide, Abbey National, Woolwich etc
- Intermediaries eg. Charcoal, Bradford & Bingley Market Place

The electronic conveyancing model anticipates the sharing of information more effectively with these other parties and improved integration with them will be essential. G.I will be needed and will need to pass between them seamlessly.

### Givers of Information to the Conveyancing Business

A section of the market has developed which now provides instant information to the homebuyer, conveyancing businesses and others and it is internet based. So we have seen the growth of the following:

- Web Lenders eg. [www.if.com](http://www.if.com), [www.egg.com](http://www.egg.com)
- Web Agents eg. [www.houseweb.co.uk](http://www.houseweb.co.uk), [www.propertybroker.com](http://www.propertybroker.com)
- Web Intermediaries eg. [www.charcoalonline.co.uk](http://www.charcoalonline.co.uk)
- Consolidated Web Agents eg. [www.assertahome.co.uk](http://www.assertahome.co.uk), [www.fish4homes.co.uk](http://www.fish4homes.co.uk).
- Web Infomediaries eg. [www.yourmortgage.co.uk](http://www.yourmortgage.co.uk), [www.e-loan.com](http://www.e-loan.com).

The more these information sources are used they are 'moulding' the homebuyer to expect a different style and approach to delivering a conveyancing service and sharing information. This also moulds the operations of those who use and rely on G.I

### The Changing Conveyancing Business

Modern, and future electronic, conveyancing businesses require a change in culture and approach to service delivery. 'Quill Pen' practices are still seen in a large number of conveyancing practices but those practices operating on modern business lines have introduced some 'key' features that support electronic conveyancing and effective handling of information, some of which are (and the list is not exhaustive):

- speeding up what they do
- being more efficient in how they do things
- being more accountable to their customers for what they do
- being more open and transparent in their dealings
- innovating and seeking solutions to problems
- improving and investing in integration/interaction with others
- creating computer friendliness in their business environment
- having a 'customer service' focus

- adopting and implementing paperless strategies
- wider availability and accessibility to customers and other transaction parties (eg extended opening hours, 24/7 information access).

By modernising, a number of conveyancing businesses are already able to maximise the opportunities offered by improved information availability, integration with other businesses and introducing newer process methods. In my view, the real opportunity for those seeking to partner with conveyancing businesses and to exploit the clear opportunities ahead is to understand the innovations that are being implemented in the home buying and mortgage process to prepare for the roll-out of electronic conveyancing and up front information supply for the home buyer along the way.

Those innovations include the following:

- **Telephone Scripting Software:**  
Software available to help staff convert conveyancing referrals and enquiries with G.I available through the personal workstation.
- **NLIS Searches:**  
Conveyancers are now sourcing their search information through the three channel providers licensed by Government and are now up and running and able to do business:  
[www.transaction-online.co.uk](http://www.transaction-online.co.uk), [www.tmproperty.co.uk](http://www.tmproperty.co.uk), [www.searchflow.co.uk](http://www.searchflow.co.uk)  
  
NLIS providers are bringing to conveyancing businesses property and other search information to the desktops of conveyancing staff.
- **Land Registry Direct:**  
On a subscription basis, there are a range of essential services instantly available from the Land Registry online such as title information, searches, filed plans etc. This is also being made available through the desktops of conveyancers and their support staff.
- **Electronic Instructions:**  
These are already provided by a number of mortgage lenders, estate agents (for referrals) and housebuilders. These institutions include information such as postcode and other recognition information.
- **Electronic Survey Reports:**  
Many Chartered Surveyors now make their surveys and homebuyers reports available by e-mail including coloured plans
- **Sellers Information Pack (to be replaced by Home Information Packs)**  
The concept of Sellers Information Packs, is already being used by certain selling agents and lenders; some instruct Commercial Providers others use the conveyancer. Proposals for the contents of Home Information Pack is under consultation by Government at the moment and significant GI contact is expected to be included. The conveyancer will be at the 'heart' of the process; information from the conveyancer is likely to be essential to its success.
- **Seller's Conveyancer's Contract Pack:**  
On a house sale a conveyancer compiles an agreed package of papers in line with the conveyancing protocol; soon these documents will be made available in paperless form through technologies such as document imaging and viewing through a web site and supporting GI will be essential.
- **Information Givers and Receivers:**  
We now have in use in the market a range of tools for giving and receiving information from the Excel spreadsheet electronic formats to real time updates through conveyancers' web sites.
- **Conveyancer's Extranet:**  
In practice this is already available. Those businesses that make available their case management information and documents through a secure encrypted website have the starting point for this

implementation. They can expect to move forward to the electronic exchange extranet quite quickly once they master the supply of unique password references to the other conveyancer enabling him/her to transact an electronic exchange.

In future, once the Land Registry model is implemented it is intended that electronic exchanges are achieved by 'logging on' to the Land Registry Network. Prior to electronic exchange it will have been important to review essential GI.

In conclusion, conveyancing businesses with the vision, will to compete and hunger to succeed are implementing NOW a number of important practical processes which will ready them to maximise the opportunity the e- conveyancing model brings and to re-invigorate the way conveyancing is delivered. That will need to include relevant GI attractively.

### What would Conveyancing Business Pay For?

Successful Conveyancing Business has moved on from dependence on traditional materials such as paper searches, paper copy plans, crayon colouring, hard copy data lists, long term bound information reports, cheque payments, written information requests by post: and I could go on..... !

Effective and valuable provision of GI needs to provide benefits to Conveyancing Business in the following key drivers of business performance:

- **Process:** Improving the way things are done
- **Distribution:** Knowing how new business is acquired
- **Cost:** reducing the cost to the business of delivering its service
- **Risk:** Helping the business manage and/or reduce its risk
- **Advantage:** Creating ways of using GI innovatively/imaginatively to create market advantage

To illustrate the point, take Distribution where a conveyancing business needs to decide in which markets it will compete, examples of decisions which would steer decisions on Distribution are:

- First Time Buyers focus may suggest the business should introduce GI and related documents online which would be used enthusiastically by the generation of under 27's, very used to interacting with technology. GI would need to be easily available online in this proposition.
- Referral arrangements with estate agents may suggest the business needs to implement initiatives such as Home Information Packs supported by applications such as word and/or document imaging. GI Information electronically available at any time and enhanced telephone handling skills in the office supported by GI on the desktop.
- Direct to Customer Marketing Strategy may lead the business to decide it needs front line staff with enhanced telephone skills to convert enquiries and requests for quotations, obtain GI online through, say, NLIS channels and have GI immediately available online to support the customer interaction. Plans, information reports, searches should all be available there and then, delivered on request to the desktop.

So to summarise, for GI to make a difference both the information both the information and the way it is delivered must be seen to:

- Assist revenue growth
- Support service improvement, and
- Enable cost reduction

GI for its own sake is not the answer, there must be some added value to support it

Ask yourselves the following questions:

- Will GI improve the way they do things?
- Does GI help them create new ideas?
- Can GI help them solve any problems?
- Will their decision making be better for having GI?
- Can GI help them deliver electronic services?

In my opinion, the success or failure of GI lies in the answers to these questions and the attractiveness, of otherwise, of GI as a "hard edged" product capable of enabling business improvement.