Real estate leaders are grappling with how to balance investing in traditional business analytics and reporting systems while simultaneously allocating resources to take advantage of emerging technologies such as blockchain and artificial intelligence. Naseem Wenzel, partner in Colliers International’s Commercial Real Estate Advisory Practice and member of OSCRE International’s Board of Directors, points out that the sector is in the second phase of adoption. Specifically, we’ve bought into the idea of having a “shiny new thing” (read: new tech applications), but now we’re in the complex phase of integrating these technology platforms into our lives, learning the capabilities, and digesting the profound changes that Big Data, analytics, and the Internet of Things are bringing to the sector. However, we’re not quite ready to go “all in,” and let go of the spreadsheets just yet.

It’s time for our industry to explore emerging technologies, which require an effective approach to data governance that’s built on standardized data across the organization. Standardized data improves transparency and addresses the need for speed to improve outcomes. It’s time for us to build real estate digital ecosystems in our organizations. What is a digital ecosystem? It’s an information-enabled network of collaborative internal and external business partners using technology to connect business functions, strategies, competencies, and actions. While it may sound complicated, there are specific steps that can be taken to get there. The most critical component of starting on this path is not technical proficiency; instead, it’s about senior management having the will and the skill to become change leaders.

Digital transformation starts with human transformation. A willingness to move from status quo to encourage innovation and accept the risk that accompanies it is a mandate for moving forward in the digital world. Innovation, by its nature, requires an increased tolerance for risk, and increased financial support to fund it. Often that means making investments in acquiring and building skills that didn’t exist just a few years ago. It starts with the tone at the top — senior leaders must demonstrate their willingness to encourage and accept change while fostering a culture where innovation is recognized, supported, and rewarded.

The good news for senior leaders is that change management doesn’t have to be an “all or nothing” proposition. Effective change leaders commit the resources to advance change, including financial support for pilot projects and needed training that builds skills in the workforce. Pilots by nature should be limited in scope and completed in months (not years) to build confidence and internal support for both process and outcomes. It’s about building an effective and long-term approach to asset lifecycle management.

For example, building an effective data governance framework is critical to implementing blockchain and other emerging technologies that are creating foundational changes in the real estate industry. The first pilot project may be devoting resources to build skills in data governance and digital competency among your current workforce. Collaboration among member organizations is another important aspect of advancing this effort. CoreNet Global, the leading member organization for corporate real estate executives, recognizes that their members need to build the skill set necessary to compete in an increasingly digital world. They have partnered with OSCRE International on a new collaborative education initiative designed to provide CoreNet Global members access to data governance education developed by OSCRE. This real estate-focused approach to data governance enables corporate real estate to build critical skills to advance the digital transformation of commercial real estate within their organizations and the industry.

Commercial real estate leaders need to foster a culture of innovation in their organization that may involve restructuring and realigning teams and team members. In practical terms, that means sized operations and processes must be replaced with an environment that cultivates creativity and collaboration in order to collect and analyze data that supports improved decision making and business outcomes. Only then will the commercial real estate industry be in a position to harness emerging technologies effectively and be positioned for future growth.