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Step It Up!

Follow this plan to take charge of your career.

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How's business? Pretty simple question isn't it? Every day someone asks this or a similar question that seems innocent enough. And, like the vast majority of commercial real estate practitioners, you probably respond with a simple answer: "Business is slow" or "Hanging in there" or hopefully "Never better." Ideally though, you should consider this simple question — How's business? — as one of the most important questions to ask yourself.

Most commercial real estate brokers and agents are legally independent contractors and, as such, are self-employed. It doesn't matter if you are a seasoned veteran or the newest agent in the office: You are the chief executive officer of Me, Inc. Congratulations!

What does this mean exactly? Think of any CEO that you personally know or have read about. What are their responsibilities? Certainly they have to craft a company vision. They also must enact a sound operational plan to sustain current revenues and support growth. In addition, the CEO oversees the company's marketing, sales, human capital, and financial plans.

No one said being a CEO was easy.

But is this too much to expect from the average commercial real estate professional, who doesn't have the infrastructure to account for all of the elements noted above? Perhaps it is. But then again, that is why that broker or agent is *average*. Average performers chase deals. Average performers work transaction to transaction and wouldn't dare consider investing in their business unless they receive a commission. Average performers treat their craft as a hobby, not as a business. Average performers view themselves as employees looking for their broker or company to generate business for them.

Who wants to be average? Not you: You're the CEO of Me, Inc.

So what can you do to build an infrastructure to support Me, Inc.? Let's start with the operational plan.

Know Your Numbers

The operational plan is the framework upon which you should conduct your personal brokerage business. As CEO, you must work *on* your business (strategy) and *in* your business (transactions). To do this as effectively as possible, an infrastructure must be put into place, utilized, and refined. For commercial real estate pros, the operational plan can be supported by a sound customer relationship management database.

Today there are a variety of off-the-shelf products that can essentially run an individual's brokerage business. And no, Microsoft Outlook is not one of them. A database, if used correctly, is actually less about the data and more about consistent utilization. As CEO of the Massimo Group, each morning I turn on my monitors and am greeted by an up-to-date dashboard of information that displays the vital levers in my business. In this dashboard are charts, graphs, and lists that include:

- daily prioritized to-dos;
- my current sales and net income to date as measured against targeted goals;
- my pipeline with weighted averages for closing; and
- my opportunities with key prospects highlighted.

As a colleague once told me, your database should not simply track data, it should generate commissions. The simple fact is top performers do not "wing it." You can't wing it to win it. Consistent access to the information noted above provides me with a consistent measurement of my progress against targets. If we are falling behind, I can quickly recognize it and adjust. If we are ahead of plan, I can easily identify our top-producing sectors and reallocate my No. 1 resource — time. Access to this information, if reviewed and implemented consistently, can expedite efforts, which in turn expedite closings.

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Promote Yourself

Commercial brokerage success is dependent on four factors: your role, your area, your monetary infrastructure, and your presence. In today's ever-changing marketplace, presence is becoming the foremost factor in winning business.

Since your personal or team presence is so essential, you need a comprehensive marketing program. Yes, the program should be consistent with your commercial broker's policies and branding guidelines, but it should focus on you.

A regular contributor to this magazine on personal marketing is Alex Ruggieri, CCIM, of Sperry Van Ness in Champaign, Ill. Ask Alex for his business plan and he is sure to give you his marketing plan first. Alex knows where, when, how, how often, and how much he will be promoting his business throughout the year. Alex is not an average broker. He is CEO of the Ruggieri Team.

Stay on Target

When I travel across the country, I always hear brokers and agents say they need to "prospect more." It sounds good, but it means nothing. What is *more*? And is *more* really the answer? Usually it's not a matter of prospecting more. It's a matter of prospecting better. You can make 100 calls a day and still not become a top performer. Sure, you may find a deal, but even a blind squirrel finds a nut every now and then.

A sales plan will consist of a target list, an approach to reach that list, and follow-up steps. Do you know who your ideal clients are and how you can secure a list of these ideal clients? Once you have your list, how are you going to contact them? Are you going to launch a mail/phone campaign, a phone/e-mail campaign, or use a more personal approach?

Ask Jim Tucker, CCIM, of NetworksCRE in Richmond, Va., and he will tell you commercial real estate is a "belly-to-belly" business. He is correct. Jim has a specific sales plan for reaching his target audience. Jim is not an average broker. He is the CEO of NetworksCRE.

Team Up

When I ask prospects and clients what their human capital plan is, they often say: "A human capital plan? Are you kidding me? I am just a sole agent with only 18 months in the business." Average brokers do not invest in themselves or hire outside assistance, and as a result they continue to be, well, average.

If you are reading this article, you are probably a CCIM designee or candidate. Congratulations: You have invested in yourself! But was this part of your plan, or simply something you wanted to do? Don't get me wrong. Attaining the CCIM designation was one of the most rewarding events in my long career in commercial real estate. But it wasn't just a personal goal — it was part of my plan. The return on this investment has been significant.

There are many options for investing in a human capital plan. As noted above, a CEO must look at the company goals and set up the infrastructure to support the attainment of these goals. As CEO of Me, Inc., you cannot do it all. You need to outsource wherever and whenever possible. This is a small investment, and there are many tools available today to leverage your time to focus on more productive tasks that drive revenue.

Top performers understand that leveraging debt can enhance their success.

For example, I recently needed a verified list of 2,500 contacts. All I had were the contacts' name and company. To properly market to this list, I needed addresses, phone numbers, Web sites, and e-mail addresses. Does this sound familiar? Doing this myself was not an option. My time, like yours, is too valuable. I contacted Elance (www.elance.com) to secure proposals from virtual assistants around the world. I contracted a service provider and received my list three days later. It cost $200 — total! I have since provided this VA with a series of tasks and all have been completed in a professional and timely manner. More importantly, they have all been completed within budget.

I have a human capital plan with a budget for both personal investments and outsourcing of services. I have a team behind me, but 90 percent of them are virtual assistants or independent contractors. My marketing department is located in Virginia; my Web design team is in North Carolina; my data research department is in India; my cold caller was in Hawaii and now is in Michigan. I'm a sole practitioner in one way, but I'm also the CEO of the Massimo Group.

Capitalize to Thrive

A financial plan is not a commission goal. My chief financial officer always reminds me that "we don't pay bills with revenue." Average brokers look at their year in terms of commissions. A CEO looks at their business in terms of profit margins. They budget for investments (cash outlays) over the year. They understand that investments drive revenues.

Commissions obviously can be created by spending little or no capital. If you have a solid relationship that leads to a transaction — perhaps a tenant representation assignment — your personal cash outlay can be minimal. However, to sustain a business you must invest in the business. And there are only two ways to capitalize a business: equity and debt. Top performers understand that leveraging debt can greatly enhance their opportunities for success.

For commercial real estate pros, debt can come in several forms. You can take a line of credit, either from a bank or, less formally, a family member. Other forms of debt may include your savings, a second mortgage on your house, or a loan on your life insurance policy. Don't get me wrong: I am certainly not endorsing financial risk. However, CEOs take calculated risks. They understand that, in a down market, investing in a more aggressive marketing campaign will separate them from their competition. They also understand that financing their business strictly on revenue, especially in a cyclical sector such as brokerage, is unrealistic.

In addition, CEOs understand their personal financial projections. They look at metrics such as net new under contract and average days on market. As CEO of Me, Inc., you must understand these metrics as well. At any given time you should know what your personal checking account will look like 30, 60, 90, and even 180 days forward. You must understand your pipeline and the probabilities and timing of each deal closing. You must have contingency plans if transactions are delayed or dismissed. The average broker waits to see how a transaction evolves and then reacts. The CEO proactively plans for success and evaluates alternative paths based on forecasted performance.

Certainly there are many other facets to being the CEO of Me, Inc. The five elements noted above, however, are the most essential. Each component of your personal business is supported by and/or drives the other. I would suggest starting with your financial plan. From there you can craft an operational plan, and the other plans will follow.

Understand that you are responsible for the livelihood of all your employees, even if you are the only one. As CEO you have to craft the brand and reputation of Me, Inc. You have to provide the infrastructure for your company's success and a foundation for its growth.

So the next time someone asks you "How's business?" you have two choices. Either you can give them a standard reply, such as "not bad," or you can ask them which division of your corporation they would like to know about. Either way, as CEO of Me, Inc., you are in control.

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