What Prospects and Referring Brokers

Really Want to Hear in Presentations

By Barbara Ellis-Racic, SIOR

Barbara Ellis-Racic, Senior Vice President of Corporate Real Estate Solutions, Chicago, Illinois, has more than 19 years of experience negotiating real estate transactions. She is a senior instructor for SIOR and has appeared as a guest speaker for the Association of Accounting Administrators, SIOR, COLBA, the University of Illinois, NICAR, and other groups.

Last month, I was conducting interviews with architects for an assignment when, in the middle of the fourth interview, I had an epiphany: Are real estate brokers as boring to listen to as these architects? I suspected so. In an effort to learn what people really want to hear when choosing a professional, I decided to go right to the source and interview people who make the decisions.

I sketched out seven questions that I felt would lead me to the answers:

1. What is your objective for a session of interviewing brokers?
2. What is your pet peeve (things brokers talk about that you wish they didn't)?
3. With what do you want to walk away?
4. At what point do you lose interest in the interviewees?
5. What is the biggest mistake anyone has made in a meeting?
6. What is the best thing anyone ever has ever done in a meeting?
7. Other comments

I interviewed people from the range of constituencies that SIOR serves.

The End-Users List Their Preferences

These four interviewees gave four different perspectives. The two end-users of real estate were from different ends of the spectrum. Jim Holtzman, a CFO with Fieldglass, Inc., Chicago, Illinois, wants to be educated and said, "I want to understand what each broker is bringing to the table—anything related to the specific space and the building owner." He also said, "My goal is to not have to micromanage the

Name (and Title)	Company	Constituency Group
Jim Holtzman CFO	Fieldglass, Inc. Chicago, Illinois	CFO of a fast growing high tech company
Mark Delph, BCCR, CCIM, MCR, Corporate Associate member of SIOR Director of Real Estate	Fortune Brands Lincolnshire, Illinois	Corporate Real Estate for a major company
Stephen R. Downes, SIOR Senior Director	Cushman & Wakefield New York City, New York	Referring broker—Large national accounts, both acquisitions and dispositions
Lynn E. Reich, CCIM, SIOR Senior Vice President	Colliers Bennett & Kahnweiler Chicago, Illinois	Referring broker—Traditional brokerage services, acquisitions and dispositions.

process." Further, Holtzman stated that he looks for a strong company name and reputation in addition to a comfort level with the individual team members on his assignment.

Mark Delph BCCR, CCIM, MCR.h, and Corporate Associate Member of SIOR as well as Corporate Real Estate Director of Fortune Brands, Lincolnshire, Illinois, had very specific objectives for a meeting. His concerns included:

- The vendor's service delivery system and competitive advantage.
- Internal controls to protect our proprietary information including keeping negotiations confidential.
- Organization charts and experience of people actually handling the work.
- Method for researching markets where vendor has and doesn't have offices.
- How the firm would handle small assignments and how they will be compensated.
- Experience with build-to-suits, bid analysis, and RFPs.
- Continuous process improvement plan.
- Economic incentive negotiations track record.

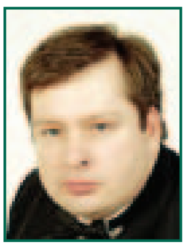
Delph said, "I don't want to be the practice company. I want the service providers to have the infrastructure in place. The RFP is the screening process."

Referring Brokers List Their Priorities

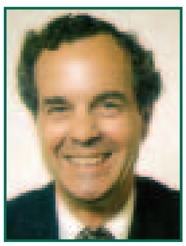
The referring brokers were even more targeted in the information they wanted at the completion of the interview process. Lynn Reich, CCIM, SIOR, of Colliers Bennett & Kahnweiler, Chicago, Illinois, pointed out, "Brokers interviewing other brokers are tougher than potential users. We know the spin. Don't give me your standard answers; get down to the actual situation at hand." Stephen R. Downes, SIOR, Cushman & Wakefield, New York, New York, said he wants "real market knowledge and the ability to convey knowledge." He also wants to know that he can "get information on a timely basis, and [that] the person involved is going to be available whenever [he] needs them." Reich is screening for people who will "do what they say they will do." Downes is screening for someone who will "interact well with the client." That ends up being part of the call, he said. "The receiving broker should be someone to whom the local person can relate. Things do happen…sometimes people kick themselves in the foot" on the call or the face-to-face interview.

All in Agreement

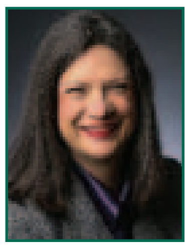
The interview pet peeves centered around one theme: Babbling about irrelevant topics. Holtzman said, "Spare me the war stories. What is your personal experience in my building and my real estate marketplace?" Delph has no patience with firms that don't differentiate themselves. If he is interviewing a half dozen firms, and they are all experienced, you have to explain your competitive advantage, why are you better than the competition. “Make the decision easy for me,” he advised. “Something needs to stand out and pop.” The referring brokers were even more emphatic. Reich said, “I dislike boilerplate that doesn’t even answer the questions asked. I don’t want to hear about how the firm is the best thing since cheesecake and about all the deals they have done.” Downes said he “wishes they [brokers] wouldn’t keep talking. When making a presentation, they should actually look at the people listening to the presentation. They should be able to read if the prospect is agreeing with you, and if you see that, stop. You’ve made the sale.”



Delph



Downes



Reich

Holtzman

Both referring brokers were adamant about knowing who would work on the assignment. Reich said, “I don’t want to be sent to the junior broker just because a senior person doesn’t have the time to monitor the project. I want to know who is accountable and who will be tracking the assignment.”

All four interviewees wanted to walk away from the meeting with a clear understanding of what the firm will do, a comfort level with that team and that firm’s experience for this assignment, an understanding of compensation, and the security that all members of the team fit into the culture of the client firm. As Delph said, “At the end of the day, the service provider must fit well with the culture. The performance and the technical capabilities at this level are a given.”

When Did You Loose My Interest?

Holtzman: “When it became clear that they (the service provider) didn’t have a clearly defined process. It’s like the Toll House Cookie recipe. If you have been doing it over and over and over again, you get the same answer.” Jim wanted someone who had been around the block and could articulate clearly. When there wasn’t a strategy, he lost interest.

Delph: When the service provider doesn’t have their act together. “I have been in meetings where I have felt embarrassed for the provider,” he said. “When they (the provider) are prepared, I give them easy lobs, easy to answer questions.”

Reich: Her client loses interest when the service provider “doesn’t answer the questions, or goes into commercials.” She advises that when you can observe the people in the room “getting nervous, annoyed or fidgeting in their chairs,” it is time to wrap up the interview.

Downes: “When interviewing three or four groups and you have already interviewed the team you will select. Everybody after that is not even meeting the market. At that point, the customer starts to feel like they are wasting their time.”

Downes tries to direct the conversation in a presentation, and will interrupt to help the person make a point and move on. He also makes a point to “tell everyone how much time they have, what to cover, and [to allow for] questions and answers. I leave it to them to move it along. We will push the meeting flow along to get through the interview in the time allocated, even if it is the last one. If they start running overtime, we tell them it’s time to wrap up.”

The Biggest Mistakes Hall of Fame

Delph dislikes “referencing his or her competitors’ products, bringing in a slick marketing group, or bringing everyone but the folks who will actually work on the assignment.”

Memorable statements from service providers include, “Your portfolio is impossible to service” and “If we don’t know what we are doing, we’ll figure it out.”

Holtzman said, “Don’t bring in a fast-talking group of external experts. I want my service provider to provide space planning and construction management services in-house and absorb those costs. The focus on outside service providers was much more than it should have been.”

Downes said, "The biggest mistake anyone ever made was someone actually saying, 'I know you don't want to hear what I have to say.' If you feel this way, don't say it!"

Reich commented that, when presenting as a team, be careful not to spend a lot of time with introductions and commercials. "Address the client's issues and potential solutions, or you may lose your focus," she warned. "If you don't present issues and solutions, it's not an effective presentation."

The Best Actions Hall of Fame

Delph: "The service provider asked what they could do for me. They were trying to deliver a service I needed, instead of selling what they had."

Holtzman: "The best sat down, had a clear understanding of the process, could articulate where and how they would add value, and were better educated than the others. They helped convince us [to hire them] by doing rather than saying."

Reich: "It can be as simple as showing that you did your homework. Looking up your client on the Internet, noting they have locations at x, y, and z, and providing solutions beyond the parameters provided" is very powerful.

Downes: "The best presenters maintain good eye contact when talking to people, and know how to move onto the next subject. They can speak about a detailed presentation without becoming bogged down in the detail. All people are interested in stories; that is how they remember what people say. The service provider should be able to tell a relevant story to get their point across. People will remember."

Words To the Wise...

Our interviewees had valuable bonus advice for us. Holtzman commented that, "Some people are hands on, and some rely on outside support. You have to figure out which client you have. The presentation should be delivered quickly and succinctly. Show specifically how the provider will add value, and take control of the interview process." Delph indicated that corporate real estate directors are spending more of their time on strategy. "We need the broker to free up our time for strategy," he said. "We still have to be there to cut the deals in the end, but the broker can get us as close as possible to this point." Also, he warned, "The biggest way to make a client unhappy: When brokers are looking to make a deal to get paid, instead of the best deal for the client." Downes said he "has always viewed what we do as an art form. Not so different from professions in the art field, we take the complicated and figure out how to show people a result with which everyone feels comfortable. Everybody ends up feeling like they won." Reich said, "People are pressed for time, and everyone is looking for someone to bring solutions. If we do our job, and we present those solutions on a timely basis, we are 75 percent on the way to customer satisfaction."

> *"If you don't present issues and solutions, it's not an effective presentation."*
>
> **—Lynn E. Reich, CCIM, SIOR**

Although there were four different perspectives on broker presentations, there were several common themes that apply in all presentations.

1. All prospects are looking for solutions to their own situations. Don't waste time on issues the client does not care about.
2. Make sure someone in the meeting is paying attention to the prospect's reaction and can get the message to the presentation leader.
3. Say something that will make you stand out.
4. When you see too much fidgeting, end the meeting.
5. Bring the people who will really work on the assignment, and let them speak.
6. Do your homework: Know something about the end user or the specific real estate assignments at hand.

You know the secrets; now apply them to your own work!