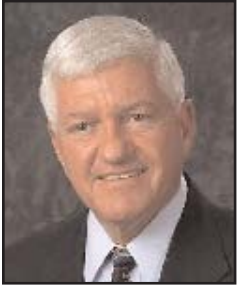


SUCCESS IN TODAY'S ECONOMY IS ALL ABOUT THE BASICS



by
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September 11, 2001, forever changed the way we do business. This tragic event, however, showed that although there is very little difference in people, that little difference makes a big difference. The little difference is attitude. The big difference is whether it is positive or negative.

It's All in a Person's Attitude

During the second World War, a young bride from the east followed her husband to an Army camp at the edge of the desert in California. Living conditions were primitive at best; her husband had advised against it, but she wanted to be with him.

The only housing they could find was a rundown shack near an Indian Village. The heat was unbearable in the daytime—115 degrees in the shade. The wind blew constantly—spreading dust and sand all over everything. The days were long and boring. Her only neighbors were the Indians—none of whom spoke English. When her husband was ordered farther into the desert for two weeks of maneuvers, loneliness and the wretched living conditions got the best of her. She wrote to her mother that she was coming home; she just couldn't take it anymore. In a short time she received a reply, which included these lines:

*Two men looked out from prison bars,
One saw mud; the other saw stars.*

She read the lines over and over and began to feel ashamed of herself. She didn't really want to leave her husband. All right, she'd look for the stars. In the following days, she set out to make friends with the Indians. She asked them to teach her weaving and pottery. At first they were distant, but as soon as

they sensed her interest was genuine, they returned her friendship. She became fascinated with their culture, history—everything about them.

She began to study the desert as well, and soon it too changed from a desolate, forbidding place to a marvelous thing of beauty. She had her mother send her books. She studied the forms of the cacti, the yuccas, and the Joshua trees. She collected seashells that had been left there millions of years ago when the sands had been an ocean floor. Later, she became such an expert on the area that she wrote a book about it.

What had changed? Not the desert; not the Indians. Simply by changing her own attitude, she had transformed a miserable experience into a highly rewarding one.¹

How to Make It in Today's World

In times of economic downturn, our clients expect and even demand more from us than ever before. To stay competitive and win more business, you must first experience a change in attitude. It must be positive! Next, you should identify the tools and processes that can be used to be successful in an economic downturn (i.e., “Think Outside the Box”). Then continue the process by identifying the issues that will face you in the future. Become a team player. Share your ideas, experiences, problems, and solutions with other team members. Learn to promote the sharing of client relationships through various affiliations and then leverage those relationships across geographic boundaries to do more business.

Here are some of the more basic tools and processes that I have used to prosper in real estate in today's changing economy:

Basics of How to Find the Business

- Know your target market and the changes taking place within it;
- Make a concerted effort to track tenants/buyers and landlords/sellers in databases that are looking to downsize or relocate due to changes in the economy. Focus on lease expiration, square footage, building characteristics, contact names, desired building characteristics, and phone numbers;
- Search closed project/business files; review inquiries on previous and current listings for potential business; pursue leads and referrals;
- Read news articles to see which companies are downsizing, relocating, restructuring, going out of business, filing for bankruptcy, or growing;
- Drive targeted market areas to observe changes in the amount of materials stockpiled in outdoor storage yards, and vacant parking spaces;
- Check with Bank REO Departments regarding availability of distressed properties;
- Network with local real estate companies;
- Network with other real estate companies around the country; and
- Join/become active in real estate organizations such as SIOR, CCIM, NAIOP, and CoreNet Global.

Basics of How to Find Properties

- Track **every building** in the target market area. Obtain information on such things as building and site square footage, tenant, lease expiration, owner, use, and building characteristics;
- Check all available sources— web sites, internal availability database, project files with historical brochures;
- Market the requirement using broadcast e-mail or fax, direct calls to active brokers in the area, mailers to property owners, and advertising;
- Drive the market area frequently and observe; and
- Cold call—stop in and ask.

Basics of How to Get the Business

Contact prospects to set up a meeting with the decision-maker;

- Prepare a Listing Proposal or Representation Package—include company history, resumes, letters of recommendation, marketing plan, summary of searching methods, services offered, need for representation, supportive information, representation and/or listing agreement, and any other relevant materials;
- Visit the prospect with Representation or Listing Proposal Package in hand;
- Complete presentation to decision-maker and leave a copy of the Listing Proposal or Representation Package; and
- Ask the decision-maker to sign the contract.

A Case Study in Using the Basics

An illustration of how a broker's attitude coupled with basic

tools and processes can be used to influence the outcome of a real estate transaction can be seen in the following case study.

While driving along the Hohokam Expressway in Phoenix one morning in February 2001, I noticed that a 114,000-square-foot, former Wal-Mart-Sam's Club/Warehouse, which had been previously subleased to a local moving and storage company, was vacant again. When I arrived at my office, I immediately contacted Wal-Mart's Real Estate Department to confirm the vacancy and to ask about listing the property. I was informed by Wal-Mart that the facility was indeed vacant and available for sublease and that if I had an interest in listing the property, I would have to submit a listing proposal along with many other brokers for consideration. After submitting a comprehensive proposal to Wal-Mart, I attempted to secure the listing by telephoning Wal-Mart on a regular basis for the next five weeks. Frustratingly, the commitment never came.

Wal-Mart was still very much on my mind as I browsed through the April 30, 2001 issue of the *NAI Business Weekly* and came across an article entitled "Wal-Mart Stores Keep NAI Isaac Commercial Properties Busy with Disposition of 21 Properties—Recent Transactions Valued Over \$13mm Close." I immediately contacted NAI Isaac, to find out just how they were able to achieve so much success with Wal-Mart and to discuss the former Sam's Club in Phoenix. Within an hour of my call, they were able to make arrangements for me to conduct a listing presentation with Wal-Mart's real estate manager of excess property. Several days after the presentation, Wal-Mart informed me that it had been negotiating on and subsequently agreed to a sublease of the former Sam's Club to a local manufacturing company. The company was being forced to relocate from Phoenix Sky Harbor International Airport area because of the planned airport expansion, and that only if the deal were to fall through would my firm be awarded the listing.

In October of 2001, Wal-Mart notified my firm that its pending sublease on the former Sam's Club fell through because of a September 11-related Phoenix Sky Harbor Authority moratorium on all pending property acquisitions associated with the planned airport expansion. It seems Wal-Mart's potential subtenant had been counting on the pending sale of its property to cover the security deposit and first month's rent required for the sublease of the former Sam's Club.

By mid-November 2001, my firm received a one-year marketing services agreement (listing) with Wal-Mart. By late November 2002, after a substantial marketing effort, F-1 Race Factory, made an offer on the building through a cooperating broker, to sublease the entire building for a seven-year term. On June 16, 2003, a sublease agreement between Wal-Mart and F-1 Race Factory, was signed. As I processed the invoice for our commission, I was again reminded of that mother's reply . . .

Two men looked out from prison bars,

One saw mud; the other saw stars.

What do you see?

1. Clement Stone, "Bits & Pieces" (The Economics Press Inc., 1971, Volume G, Number 1), Page 21. *Bits & Pieces* is a monthly mixture of horse sense and common sense about working with people. ❖