

Using ACT!/ARES for Transaction Management



by
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ACT!/ARES Sales Opportunities are a powerful way to manage your own and/or your agents' pipeline, set goals, provide reports to your owners, and forecast revenue.

This is the first of a series of specific "how to" articles for ACT!/ARES. We hope to stimulate discussion on the use of this comprehensive and powerful tool for our business. We'd love to hear about specific ways you are using ACT!/ARES to further your business.

We will focus on an ACT!/ARES feature called "Sales Opportunities" in this installment. My firm uses this feature as a Transaction Management System. It allows us to track deals in the pipeline, create reports for our listings, and forecast revenue.

ACT!/ARES is a "killer application." We use it as our:

- Prospecting system
- Contact management system
- Transaction management system
- Landlord reporting system
- Property information database
- Listings and comps database

Consider this real-life example: Last month we called on (shall we say) Joe Client, who is the managing partner of a law firm. His lease is expiring in 12 months. The firm wants to expand to about 10,000 square feet. We located the ideal fit for him in one of our listings, a multi-tenant office building we will call Good Fit Tower.

We immediately use ACT!/ARES to enter a Sales Opportunity for Joe Client to ensure that

- 1) his deal doesn't slip through the cracks,
- 2) the owner of our listing knows about the progress of this deal, and
- 3) we are able to forecast the commission revenue from this deal.

What Is an ACT!/ARES Sales Opportunity?

A Sales Opportunity is a deal in progress and is attached to a specific contact in your ACT!/ARES database. Think of a Sales Opportunity as a 4" x 6" index card where we record deal-specific information. Since this is an electronic 4" x 6" card, we can change the data on the card as the deal progresses through our pipeline.

Sales Opportunity Index Card Window

Creating a Sales Opportunity

As soon as a contact becomes a qualified prospect, we create a Sales Opportunity for him or her. To do this, we simply look up the contact, click on the Sales Opportunity tab, and then click on the New Opportunity button. We enter the Product ("property name" if the prospect is looking at our listing or "tenant rep" or "buyer rep" if he/she is shopping

for space), Type (“New Lease,” “Renewal,” or “Purchase”), Units (square feet or transaction value), Unit Price (commission rate in \$/square foot or percent), Forecast Close Date, Probability (allows ACT!/ARES to calculate a probability adjusted commission forecast), Sales Stage (see below for the Sales Stages we use), and Associate with Group (name of listing group so this Sales Opportunity shows up on our Listing Status report).

Sales Stages

Sales Stages are the sequential steps that we take to move a deal through the pipeline. ACT!/ARES comes with 11 pre-packaged steps or Sales Stages. These steps looked so complicated and unrelated to our business that we changed them to the following five steps:

- **Prospect.** This is a contact that has been qualified, for example, a tenant whose lease is six to 18 months out, a landlord we are courting for a listing, or a tenant we are trying to sign up as a tenant rep client.
- **Space Search.** This is a qualified prospect to whom we are showing spaces. For this Sales Stage, we use a probability of 25 percent.
- **Proposal/LOI.** This is a contact who has submitted an offer, LOI, or proposal or a contact to whom we have presented an offer, LOI, or proposal. For this Sales Stage, we use a probability of 50 percent.
- **Lease/escrow.** This is a contact for whom we have a fully executed offer, proposal, or LOI, and we are negotiating a lease or are in escrow in the case of a purchase. For this Sales Stage we use a probability of 75 percent.
- **Billing Out.** This is a completed transaction for which we are awaiting payment. For this Sales Stage we use a probability of 100 percent. While billed transactions are also entered in our accounting system as accounts receivable to track and forecast company cash flow, this sales stage allows individual agents to forecast their billed commissions.

Tracking Sales Opportunities

For example, last month we entered a Sales Opportunity for Joe Client and associated that Sales Opportunity with our listing, Good Fit Tower. Initially, he had a Sales Stage of “Prospect.” Earlier this month we began touring spaces with him, so we updated his Sales Stage to “Space Search.” As soon as he submits an LOI or we prepare a Landlord’s proposal, we will change his Sales Stage to “Proposal/LOI.”

Update Sales Opportunities as They Move Through the Pipeline

We update our Sales Opportunities weekly and use them to set goals and create Listing Status Reports. We look up Sales Opportunities several ways:

In the contact or contact list view, click Lookup, then click on Sales Stage, then select the specific Sales Stage in which you are interested.

In the group view, click on a listing group, and then click on the Sales Opportunity tab to see all the Sales Opportunities that have been attached to that group (property). More on this later.

Click on a group that has all your contacts in it then click on the Sales Opportunity tab. You can see all the Sales Opportunities in your database, sort them by Sales Stage, Product, or whatever field you wish. This is a trick we learned from ACT! Technical support. Create a group called Master, and add all your contacts to that group.

For example, prior to our weekly meetings, our agents update their Sales Opportunities. They come ready to discuss deals that moved forward in the prior week and what deals they are currently moving forward.

Use Sales Opportunities for Listing Status Reports

One of the best uses for Sales Opportunities is creating a Listing Status Report for each of our owners. This report lists all the deals in progress at a specific property, tells

| Sales Stage | Company | Units | Type | Details | Close Date | Amount |
|--------------|-----------------------------|-------|--------------|---|------------|-------------|
| Billing Out | Steven's Staffing Solutions | 6,250 | New Lease | | 12/15/2003 | \$31,250.00 |
| Lease/Escrow | HighSpeed ISP | 3,651 | Renewal / FS | Suite 1705 Tenant is currently in 1564sq ft on 10th floor and needs to expand and renew lease. Space planning and terms have been agreed to. Lease amendment is with tenant for review. JMB-get tenant to execute lease amendment. | 1/1/2004 | \$10,953.00 |
| Lease/Escrow | PhonesRus | 5,831 | New Lease | | 3/1/2004 | \$23,324.00 |
| Proposal/LOI | Best Travel | 1,357 | Expansion | Suite 409 Tenant is currently in 2546sq ft and needs to expand. Space planning done. Lease proposal with tenant for signature. JMB-get lease proposal executed. Contractor-price space plan. | 12/1/2003 | \$5,428.00 |
| Space Search | Big Box Developers | 5,624 | New Lease | Currently a tenant on Maui. They have just 4/1/2004 secured a development agreement for a new development on Oahu and need | | \$22,496.00 |

what Sales Stage each deal is in, and gives details about the prospective transaction. To create these reports we need to:

- Create a group for the listing.
- Create and update a Sales Opportunity for each deal in the pipeline.
- Make sure each Sales Opportunity associated with the listing is linked to the listing group via the “Associate with Group” field in the Sales Opportunity.

If the Sales Opportunities associated with the specific group (listing) are periodically updated, we can quickly generate a report for our owner showing him/her all the deals in progress at his/her property.

In our example, Joe Client is a prospect for our listing “Good Fit Tower.” We linked Joe Client’s Sales Opportunity to the Group “Good Fit Tower.” Last month this Sales Opportunity initially had a Sales Stage of “Prospect” then “Space Search” when we started touring spaces. Now Joe Client says he wants a lease proposal from the building. At this point, we change his Sales Stage to “Proposal/LOI.” Additionally, we enter some notes about this transaction in the Details field on the Additional Information tab.

While ACT!/ARES comes with many great reports, this report is a custom report. If you would like a copy, email me at jamie@HawaiiCRE.com.

Using Sales Opportunities for Sales Pipeline Reports

Do you ever want to know what deals you and/or your agents are working on, where those deals are in the pipeline, or forecast revenue? As long as you and/or your agents have created a Sales Opportunity for each deal in progress and periodically update them, you can use one of ACT!/ARES’ canned “Sales Reports” on the

| Sales Pipeline Report | | | | | | | | | |
|---------------------------|---------------------------|--------------------|------|------------|--------------------------|--------|--------|-------------|-------------|
| Date Range: All Dates | | | | | | | | | |
| Sales Stage: Prospect | | Total Units: 26347 | | | Total Sales: \$41,918.00 | | | | |
| Contact | Company | Phone | Ext. | Close Date | Product | Units | Price | Amount | Probability |
| Mr. Dale O. Hoshino | Best Tower | 808-456-7800 | | 12/1/2003 | Good Fit Tower | 1,387 | \$4.00 | \$5,548.00 | 75 |
| Mr. Loukin Kaku | Mt High Aviation | 808-456-8322 | | 9/1/2004 | Airport Facility | 25,600 | \$1.50 | \$37,500.00 | 25 |
| Sales Stage: Space Search | | Total Units: 9524 | | | Total Sales: \$22,496.00 | | | | |
| Mr. Steve Bloom | Big Boy Developers | 808-922-4821 | | 4/1/2004 | Good Fit Tower | 5,824 | \$4.00 | \$23,296.00 | 25 |
| Sales Stage: Proposal/LOI | | Total Units: 40000 | | | Total Sales: \$40,000.00 | | | | |
| Mr. Joe Client | Big Law Firm | 808-123-4567 | | 2/2/2004 | Good Fit Tower | 10,000 | \$4.00 | \$40,000.00 | 25 |
| Sales Stage: Lease/Escrow | | Total Units: 8432 | | | Total Sales: \$34,277.00 | | | | |
| Mr. Jim Fifer | HighSpeed ISP | 808-555-9197 | | 1/1/2004 | Good Fit Tower | 3,661 | \$3.00 | \$10,983.00 | 75 |
| Mr. Todd Tow | PhonePlus | 808-456-7784 | | 3/1/2004 | Tenant Rep | 8,831 | \$4.00 | \$35,324.00 | 75 |
| Sales Stage: Billing Out | | Total Units: 6250 | | | Total Sales: \$31,290.00 | | | | |
| Mr. Cleve Foyneck | Server's SM'ing Solutions | 808-975-8821 | | 10/10/2003 | Tenant Rep | 6,250 | \$5.00 | \$31,250.00 | 100 |

Keeping track of what is in your pipeline.

“Reports” menu to run a report. Reports include:

Sales Pipeline Chart. This provides a graphical funnel showing how many deals are in each Sales Stage. You can select which agents’ Sales Opportunities go into this report.

Sales Forecast Graph. This creates a bar or line chart that forecasts commissions for you and/or your agents’ Sales Opportunities.

Sales Pipeline Report. ACT!/ARES has several text reports on the “Sales Reports” menu. We use the “Sales Pipeline” report and sort by Sales Stage. This gives each agent a list of his/her deals in progress. I can go over this report with my agents to help them move their deals forward.

In our example, Joe Client is a prospect for our listing “Good Fit Tower.” We linked Joe Client’s Sales Opportunity to the Group “Good Fit Tower.” Last month this Sales Opportunity initially had a Sales Stage of “Prospect” then “Space Search” when we started touring spaces. Now Joe Client says he wants a lease proposal from the building. At this point, we change his Sales Stage to “Proposal/LOI.” Additionally, we enter some notes about this transaction in the Details field on the Additional Information tab.

In summary, ACT!/ARES Sales Opportunities are a powerful way to manage your and/or your agents’ pipeline, set goals, provide reports to your owners, and forecast revenue. If done correctly, this doesn’t take much time, but it does require diligence on everyone’s part.

| Leasing Status Report | | | | |
|--|--------------------|-----------|------------|---|
| Transactions in Progress | | | | |
| Property: Good Fit Tower, 1000 Ewa, Honolulu, HI 96813 | | | | |
| Transaction Stage | Company | Size (sf) | Type | Comments and Action Required |
| Lease/Escrow | HighSpeed ISP | 3,661 | Renewal... | Sale 1700 Tenant is currently in 1564sf on 15th floor and needs to expand and renew lease. Space planning and terms have been agreed to. Lease amendment is with tenant for review. JMB-get tenant to execute lease amendment. |
| Proposal/LOI | Big Law Firm | 10,000 | New Lease | Sale 2400 Currently a 6,000 tenant at Crummy Place. They just secured a large new client and need more space in a better building. Their lease expires 12/1/03 and they have asked for a landlord's lease proposal. JMB-prepare and present lease proposal. Architectspace plan. |
| Space Search | Big Boy Developers | 5,824 | New Lease | Currently a tenant on Mead. They have just secured a development agreement for a new development on Oahu and need space. She is shopping with different brokers at each Class A High rise. She likes the 25th and 26th floors at Ego Tower. JMB-get tenant to commit on which space she likes. |

Creating a Leasing Status Report