

Transcription of Jim Gillespie's August 2016 Million Dollar Commercial Real Estate Agent Inner Circle Teleseminar

“Becoming a Master at Getting Exclusive Listings”

Jim: Hi, this is Jim Gillespie, America's Premier Commercial Real Estate Coachsm located on the web at www.CommercialRealEstateCoach.com. Welcome to this month's Million Dollar Commercial Real Estate Agent Inner Circle teleseminar. Today's teleseminar is titled, “Becoming a Master at Getting Exclusive Listings,” and here's what we're going to be doing today on our call.

I will be interviewing our special guest, Craig Coppola, SIOR, CCIM, and CRE, and then we're going to take questions from everyone on anything you would like to know to help you to take your brokerage business to the next level. So we will be going for approximately one hour and 30 minutes today. This is obviously an earlier start time for us. Normally we start several hours later, but it's kind of interesting for me on the West Coast doing this in the middle of the day. It's because of our dynamic guest and his amazing travel schedule, and we're thrilled to have him here.

Let me get into an introduction for Craig. Craig Coppola is the top producing office broker in the entire 35-year history of Lee & Associates Commercial Real Estate Services. He focuses on office leasing and sales, and on representing both landlords and tenants. He has been the top producer at his company 20 times. He's been a 20-time finalist for the NAIOP Office Broker of the Year award, and he's won the award six times.

His clients include CIGNA, Morgan Stanley, Motorola, Pinnacle Bank, and U.S. Bank Corp. He has written four books titled *How to Win in Commercial Real Estate Investing*, *The Art of Commercial Real Estate Leasing*, *The Fantastic Life*, and *Chasing Excellence*, which was co-written with Lee & Associates founder, Bill Lee.

In addition, Craig has closed more than 3,500 transactions with total consideration exceeding \$3.5 billion, and he is one of only 40 people in the entire world who carry the SIOR designation, the CCIM designation, and the CRE designation altogether.

So, with all of this being said, please join me in welcoming onto our call today Craig Coppola. Craig, thank you so much for being here.

Craig: Jim, any time. I love talking with you.

Jim: That's great! It's my pleasure. I always love getting brokers of your caliber. Last month we had Scott Lamontagne on the call, and I know you listened to my interview with Scott a while back. It's just wonderful to have guys of your great caliber and standing on the call back-to-back here.

Craig: Thank you.

Jim: In getting started, what differences do you see in the habits of the top-producing brokers within our industry as compared to the habits of the mediocre brokers?

Craig: The top guys are three things: High response, high energy, and they consistently prospect. So when I say ‘high energy’ it means that they work long hours.

We have a saying here, “Mediocre guys think they do what the top-producing guys actually do.”

Jim: That is interesting.

Craig: Don’t confuse yourself that activity means productivity. So if you’re a mediocre guy and you’re actually lying to yourself, you’re going to see that the top-producing guys are doing what you think you’re doing, and you’re just not.

We actually track all of our calls that we make. We talked about this a couple of years ago where we have carrots and sticks. We have to do that because even the top-producing guys have to be following through on how many calls they make. We create processes for just about everything, so we have strong follow-through on all of our tasks that we say we’re going to do.

Jim: Along those lines – and I mentioned Scott Lamontagne’s name earlier, and I interviewed him again last month – Scott and I have had a coaching relationship together over the years. Scott mentioned again that for the people on his team, they have \$1,500 fines in place if they don’t get their work done. He said that as a result, everybody always gets their work done.

Craig: I listened to your interview with Scott a couple of years ago and instituted it. Literally for our team there is a takeaway from your podcast a couple of years ago. We still do it today. So you are adding value to our team as well.

Jim: That is awesome to know! Somebody actually implementing what I’m talking about!

Craig: Yes, we call it a stick.

Jim: That’s it, baby!

Craig: A carrot and a stick.

Jim: I jokingly say that a lot of times people – including brokers – will respond much faster to a blowtorch to their rear end than a carrot on a stick.

Craig: Exactly. It’s so true.

Jim: What do you see the advantages of brokers going after listings and focusing on those as compared with them working primarily with buyers and lessees instead.

Craig: To go back even further than the advantages are the different types of personalities. The tenant rep brokers are the ones who love being out every night. I'm reading a book called *Mr. Schmooze*. I don't know if you've ever read that book.

Jim: I have not.

Craig: It's written by a real estate broker. The tenant rep side seems to be really gregarious and outgoing, and the listing brokers tend to be really process-driven, really consistent, and therefore the advantages of being a brokerage on the listing side is obviously steady income, steady work, consistent income, and you're not going to starve.

Brokers who go after listings understand that the market is something that they really know because they see all the transactions and they take calls from tenant guys who want to know what the comps are. So you do get an advantage because you do know what you're competing against.

The tenant rep guys are somewhat isolated because they may have a tenant and they're looking at three or four buildings, but with the advantage of seeing that we do 70-80 transactions a year on the listing side on our team, we're seeing that if you see 70-80, we're really seeing 100-120 transactions a year because we're not making all of them. Each one of those is a final three, and we get the information on all of those. So we're really tracking 350-360 comps a year. I think that is another advantage to being on the listing side in addition to steady work and steady income.

Jim: Something else that I've noticed, too, because when I got into doing coaching years ago, it allowed me to sort-of look at the brokerage business now as an outside consultant with a different perspective. Over the years I've realized – and it's quite a simple thing, but it never dawned on me when I was in the brokerage business – that when you're focused on listings, it can oftentimes be a much more effective use of your time because now you've got the rest of the brokerage community working to try to find the buyers and the lessees for your listings. But when you're working with tenants and buyers, that's not going on.

You could have 40 listings at a time and have it systematized and have your team putting everything in place for the marketing and getting the word out, but trying to work with 40 tenants or buyers at the same time could completely drive you nuts because you have to do everything yourself.

Craig: I was with one of our tenant guys this morning. We're working on a big tenant deal together. I looked at him and I said, "Your life – you're a big game hunter. We're doing 120 deals on our team. I get a check every three days, and have for 25 years."

I'm always seeing some money, and I'm always getting some gratification. The lion's share of those checks are listing checks. This morning I got a check for \$4,400, but I get an \$800 check and a \$1,500 check. I'm always getting some reward.

We were talking about carrots and sticks. I'm always getting a carrot because I'm seeing the volume of our transactions coming through. For me and my personality, I have a story that I tell. Early in my career I had this big tenant rep assignment. I thought I was going to get it and I didn't. *Crain's Business* interviewed me on it. The lesson I learned was: I will never be in that situation again. I'm just not a big game hunter where if I don't get the elephant today I'm okay with it.

I wanted to chase elephant transactions, but I also wanted to make sure that I had this consistent income coming. That's why today we still do a ton of landlord work and agency work.

Jim: Sure. When you've got those regular checks coming in, even though some of them may be small, when the economy turns, you're still going to be having regular checks coming – but maybe not to the same degree.

For example, investment sales brokers, when times are great they can do better than anybody else because financing is easy, buyers want to buy something because it's going to be worth more six months to a year from now, but when the economy turns and financing dries up and people are thinking, "Well, maybe it will be worth less a year from now, so I don't wait until then," that could be something very traumatic to come to terms with. In your situation, you're going to still be having checks coming in – large, medium, and small – from the bread and butter type of activity that you're involved in.

Craig: To your point there, Jim, one of the key parts of this – and if someone wants an 'aha takeaway' – is this is the time in the cycle where we're picking up listings with renewals where you're getting paid on renewals. Early in the career we did almost all renewals. Then there was this big push for all the existing landlords to do their own renewals. We've seen the pendulum start to swing back because owners are starting to realize that they need brokers to help them do and handle renewals; they can't just give it to their property manager because they need market information. Now is the time in the cycle to pick those up because when the cycle is overbuilt, it's the renewals where you really make your vacation money.

Jim: Yes, and something interesting that I've observed over the years, because I was an industrial guy in downtown LA and the surrounding cities, on the industrial side generally speaking, if you were not the broker who was involved in the transaction on the original lease, generally speaking it's almost impossible to get in there and represent that tenant on their renewal. However, on the office side of the business, in most places I find it's different; you can get in there if you weren't involved in the original lease, get an exclusive right to represent the tenant, and then negotiate directly with the landlord. I just found that interesting.

Craig: Yes, you can do it on the tenant rep side, but even more to the point on this listing side, on almost half of our listings now we handle all the renewals for the building owner. So we're getting paid on renewals. That's where the consistent checks come in.

We just took our 18th building to over 90% leased in the last 18 months, so we have all these buildings now that we've leased up. We have no vacant space, but we are doing a lion's share of the renewals as well. So we're getting checks as these tenants that we put in there are renewing.

Jim: I can't tell you the number of brokers over the years – especially on the industrial side – who when they signed a lease with somebody and the owner agrees at the time, “Yes, I'm happy to pay you on the option,” and then when you try to collect on the option, “Why should I pay you? What have you been doing? You signed this thing five years ago.”

It's a little bit different when they're receiving rent from the tenant for years and the broker hasn't been actively involved.

Craig: Exactly. That's so true.

Jim: What is the message that a broker needs to be sending to property owners in their territory in order to become a top listing agent?

Craig: Clearly that you own the submarket and the product type. Every tenant, every expiration, every comp, I'm in the market more than anyone, and that market knowledge can be leveraged to lease their building to the landlord's benefit.

Today as the markets get bigger, more sophisticated, to own the submarket, the product type, and to be known as that broker who dominates that submarket is how you're going to get a lot of listings.

Jim: And then obviously communicate that to your people so that if they didn't know that already, they definitely get it in your presentation to them.

Craig: Absolutely. It's more than just the presentation; it's who you are. It's your brand. “We are this type of broker. This is who we are.”

When we're at NAIOP events, this is the person who handles Camelback Road, Class A – or whatever it is. That is what everybody needs to know. Then you can certainly venture out from there, but you have to start with a base and submarket and a product type that you dominate.

Jim: Sure. So how are you and your team going about finding the leads for your own listing opportunities these days?

Craig: Well, shoe leather. We're still cold-calling and canvassing. I don't think we can get away from it – especially if you have a listing in a submarket and you want to own that submarket, you need to be out canvassing and cold-calling and saying, “Hey, I noticed there is a space being built out next-door to you. I noticed the parking lot was full.” All of those things help you to know and dominate the marketplace.

We were just on a listing call about 30 minutes ago, and JP Morgan and a developer out of California, McCarthy Cook, our landlord. They're on the call, and we start every call with market updates. The first 15 minutes of the leasing call is what's going on in the marketplace. It's not just what tenant is moving from A to B, but what sales are in the marketplace and what comps are happening in our market.

Last week on Camelback Road – their building happens to be on Camelback – we had a piece of land sell for over \$100 a square foot, which is highly unusual. That was a bit of market information that we gave them literally 30 minutes ago. They were like, “Really? Wow!”

If land values are up, that means that replacement costs are higher, which means that the value of your building is more. So you’ve got to be out cold-calling and canvassing the marketplace. Then try to spend time in NAIOP, which is where all the developers are, and SIOR, which is where all the seasoned brokers are, and also everybody is now on the internet. So the internet is the newest hot thing. You’re seeing tons of information coming out about how to do that. We could talk about that for a pure hour.

The old school of canvassing, NAIOP, SIOR, and knowing your marketplace and being seen. We spend a bunch of time making sure that our guys are out where the tenant rep brokers are because that’s a chance to be seen. We’ll run into a tenant rep broker, “Hey, what’s going on with that XYZ deal?”

Wherever the tenant rep brokers are hanging out, we’ll send our young guys out to be with them.

Jim: A question that just popped into my mind as we’re talking about this that is extremely important, and it’s actually two-part but related: What do you guys do when you’ve got listings in terms of staying in communication with your landlords and making sure that they’re aware that you are working on it and you’re on top of it? Also, what do you guys do to get repeat business from the same owners you’ve worked with in the past?

Craig: Two different questions. The first question is: How do we stay in touch with them? Clearly we have some landlords who are weekly calls and some landlords who are biweekly calls. We might have one listing where we talk to them once a month on a scheduled basis, but then we are very cognizant. Our team is pretty big. I know you have a number of teams who listen on this. We are very cognizant to make sure that at least two of our brokers are reaching out to them during the week with some bit of information. If you have a deal, you could talk about the deal. If you don’t have a deal, we’re talking about something else – something that we need done to the building, something in terms of our tour to make it a better tour, something in terms of our sign blowing down, or just having to do with the project itself, or market data information. “Remember that deal we looked at three months ago? That just closed, and here is the comp on it.”

We are in contact with our clients at least three to four times a week – on the phone, via email, or whatever it is. They’re pretty confident that we’re focused on their listing. That is the first question.

What was the second question?

Jim: The second question is: When you’ve done business with people already but maybe you don’t have an active listing with them, what do you do to keep the relationship in place and build it so that they want to list with you again the next time?

Craig: Experience with them and taking their project. We sold a building to a developer 14 months ago. We took it to 93% leased. We have it listed for sale. Nothing screams ‘repeat business’ more than a developer making money. If you did nothing else and you have no personality and you have no market presence on the internet and you didn’t do anything else but lease the hell out of your client’s property and you made them money, that’s the best way to do it.

The second best way to do it is obviously to make sure that they understand. What we have found, which has been really interesting, is that our landlords really don’t know what we do. They may kind-of know, but they don’t know how many transactions in a specific marketplace.

We spend a fair amount of time with existing clients letting them know that while we have this listing, here are the other markets that they’re looking at. We’re keeping them up to date on those markets – not just ours – and making sure that if they go chase a project or they have something where they’re going to make a change that we’re in line for that.

It’s being successful with them, but then also making sure that they understand that we’re not just one-trick ponies. We don’t just work on this submarket; we will work on other product with them. Then they understand what they’re getting from us.

Jim: I think that’s phenomenal – the frequency that you mentioned your team is in contact with the owners you have active listings with. That is tremendous!

Craig: Yes. I think that anything less than twice a week, you’re not doing your job.

Jim: That is so important because it can be the tendency for brokers when there hasn’t been any activity to want to crawl under a rock and disappear and not be in communication with the owner, but as you’re approaching the expiration date of that listing – if that’s what you’ve been doing – it’s easy for the owner to conclude that you’ve forgotten about their property, that you’re not doing anything on it, and that will have them scratching their head and thinking, “Hmmm. What other brokers should I be interviewing to list with now instead of renewing with this broker?”

Is that correct?

Craig: Right. It’s interesting that you bring that up because there is a time cycle. There is a cycle to a listing.

When you get the listing, there is lots to do. There are signs to put up, brochures to create, upgrades to the property to make sure that the tours show well, and in your industrial side you want to make sure it gets swept out. In our marketplace, you want to clean up the suites. Everybody is doing small spec suites now. Lots of activity is going on in the first 90 days.

That first 90 days sprint is pretty easy. Then, to your point, the last 30-60 days when you know it’s coming up and you haven’t done anything, it’s really that time after 90 days and before the

10th month of the lease, it's months four through nine where the renewal is made. That's where nobody focuses on, but that's really where we all ought to be focusing.

You've run out of things to talk about after 90 days. You might have some activity, you might not. But what am I doing between months four and nine so that they don't feel like we're not doing anything.

We have big staffs here at Lee & Associates. I know when Halloween is coming around because the staff starts thinking about bonuses for Christmas. We'll hand them some cash from our team, and our service levels go way up in October, November, and December.

I say, "You should be making your Christmas bonus in July because we're the team that's here working hard."

It's the same thing with listings.

Jim: Absolutely. Even though they're staff and they're not on commission, they're still money-motivated, right? A nice little check in their pocket or some cash will put some spring in their step.

Craig: Exactly. The takeaway on this is: What are you doing in months four through nine on your 12-month listing? What is your plan?

Jim: That's a great point. That should be built into any listing cycle, regardless of the length of time you have the listing for. Just adjust it accordingly.

You have to be thinking along the way, "Look, I did whatever was necessary to get this listing. I want to move it within the listing period, but I've got to be building that security and that relationship with this owner so that they are sold on me and continuing on and working with me as their broker so that when we find that buyer or that tenant, I've got the listing at the time, and I'm the one who is going to make the money instead of losing the listing to somebody else."

Craig: Right. Exactly. Again, you have it. So everybody else is trying to create business, and you have it. You're just trying not to lose it. You have months four through nine to try to create the goodwill and the feeling of, "Of course we're renewing it with these guys."

Jim: Sure. Something simple that I've said to brokers is to brainstorm and make a list of all the different reasons why a listing might not be moving. Then keep that list in a place where you know where it is because in the moment when you haven't been delivering and there haven't been any offers or showings, you're thinking, "What do I do? What do I say?" you can pull out that list of 8-12 different things and say, "So what's applicable on this list right now that I can call the owner and say, 'This is why the property is not moving.'"

Or call some of the active brokers in the area and get their opinion. Tell the owner, "Look, I talked to four of the other top brokers in the area, and the consensus is that we're overpriced and we need to drop the price," or something like that.

Keeping a list can jar your memory when you may be kind-of frozen going, “Oh my gosh! What am I going to say this time to the owner?”

Consider doing something like that.

Craig: That’s good.

Jim: How do you make sure that you and your team are only taking listings that you believe are priced to move?

Craig: Well, we don’t. I’ve been around long enough that when we meet with someone who is unrealistic, we pass. It’s hard to do if you’re a young broker. It’s hard to do if you don’t have a lot of business.

We spend a fair amount of time making sure we’re on the same page, and that includes not only the listing presentation, but going forward we have very tough discussions with our owners upfront. It helps when you’ve done 3,500 transactions that they have a respect for our opinion.

We were with a developer yesterday who wasn’t even going to interview; they were just going to bring us into a new development project. We’ve not worked for this developer before. He’s a national developer, but he said that it was because we’ve been working so hard over three years, sending him comps, market data, and trying to put deals in their buildings. Yesterday he brought us in and said, “We’re going to do this deal, and you’re our listing guys.”

The conversation with them was so direct on what the rates were on a new development, where we could be. “This is high water territory. Can we work on this and this thing to get our pricing down a little bit? This is what we need to do, and we think we can get you here on the top floors,” and that type of thing.

We spend a fair amount of time really doing that upfront with our landlords to make sure it’s a fit. That said, to your point earlier, everyone is nodding their head. The landlord nods their head and says, “You’re right. I can do that deal.”

Then, sure enough, when the deal comes in, they’re going, “No, I want a higher rent,” or whatever it is. You’re constantly having to educate your landlords, and that is part of our business. Good brokers do that all the time so that when the deal comes in that you need to make, the landlord is in a mental state to make that transaction.

Jim: In your competitive nature, you have to watch not fighting to get a listing because you want to beat everybody else to it, and then when you get it, you say, “What did I do?”

Craig: Exactly.

Jim: A good buddy of mine was buying buildings around where his business is located. One of them went to auction, and he told me, “I got wrapped up in the bidding process and beating this

other person. Finally when mine was the last bid and the judge brought the gavel down and said, ‘Sold,’ I paused for a second and said, ‘Does that mean that I need to buy it now?’”

Craig: The egos of brokers are not small.

Jim: Really?

Craig: To be successful in the business, you have to have it, and we have to be competitive. But you’re right. Be competitive on the ones you know you want, not the ones you don’t.

Jim: Right. Sometimes it can be better to be the second broker’s team that gets the listing than the first.

Craig: We have a really good client who has a fabulous property. It’s thousands of acres, and they want us to list it for office space. We’re like, “There’s no office out there.”

“Well, you never know when the next Amazon is coming to town.”

I said, “I know! Fifteen years from now.”

We know we have to take it because they’re that good of a client, but we’re just trying to delay it for one more cycle before we do.

Jim: In the area where I live, which is about an hour inland from San Diego, I was told by a number of brokers here that there were people who were buying industrial land and paying top dollar for it. After they bought it, they started scratching their heads and decided to build office space instead because of the higher rents per square foot, but they’re sitting there with vacant buildings.

Craig: There’s only one ego bigger in the room, and that’s the developer.

Jim: Right, the pathological builder.

Craig: Yeah.

Jim: “I never met a project I didn’t want to build!”

Craig: Right, and “Our building is better designed and better looking.”

Jim: I met with a guy once years ago, and he had this major project that he had all the plans done for. He was going to build on a site. He was scratching his head and penciling, going, “This is just too big of a risk. I had delusions of grandeur.”

He looked at me and said, “And that’s the beauty of this country. There’s always going to be some builder or developer who will be excited about bailing me out and buying the land and building the project instead of me.”

Craig: Oh, boy! There you go. It's so true.

Jim: Tell us who is working along with you on your team and how you divide up the team's job responsibilities.

Craig: We have an eight-person team – three brokers, and I'm the face of the team. I was one of the founders here, so it's my team. Andrew Cheney is my partner. He joined me as a runner 15 years ago and I asked him to stay along. He's really the lead on a lot of our key listings because he's really active in the business.

Greg Kafka is our third broker. He's been with us five years, and he's our day-to-day guy. He's handling the calls on the day to day. So if you're talking about how you make the calls to the landlord, I'm really the big picture 'helicopter' level, and Andrew is in the marketplace, and Greg is day to day. "Here's where the transaction is. Here's what they're doing."

We then have a runner who is out there cold calling every day. Our runners stick with us for two and a half years at a time. Our current runner is an attorney, JD, MBA. He got past the bar and decided to come be our runner. He's been running with us for two and a half years. He has somewhere around 25 transactions on his TIP right now.

So we have those three brokers plus the runner, so a total of four brokers. We have two full-time assistants, and then we have three interns who are out there cold calling and doing stuff for us.

The number one thing of all brokers and brokers' team is to protect your confidence. Having people to do all those kinds of things allows me to make sure that I'm staying above, and when a deal loses I'm not the one who has the emotional toll on it. So I can be positive in every situation.

We've got a pretty big team. Not everybody who is on the call will have that. I started out as a single guy and then added an assistant ten years into my business. I started adding runners – because runners are cheap – right away, and then I added in my assistant. The team has just grown over 30 years to the size that it is today.

You don't have to have that big of a team; you can have an intern or a runner or just an assistant and have that kind of a business with them. Your interns and your runners then play a more crucial role in front of the clients.

We keep our interns away from our clients, but when I was younger the interns could call the client and give them market scoop or do something for them.

Jim: Oftentimes as brokers over the years we can lock antlers with attorneys and feel like they're deal-killing attorneys, and yet you were kind enough to bring somebody onto your team who is a lawyer.

Craig: I know! It's been interesting. We had to have him 'unlearn' all of what he learned in law school, and he's doing great.

Jim: That's good!

Craig: He's a smart kid, and he's doing great.

Jim: I found over the years that often times the attorneys who are the more enjoyable ones to work with are real estate specialists whereas an entrepreneurial principal brings in their attorney who is a generalist, and the person can flex their muscle and their ego and destroy the standard forms and stuff like that, and that's just not fun.

Craig: Right.

Jim: They've never seen the form before, so they're panicking and crossing out lines left and right. Oh boy! We've all been there.

So you talked about the team and who's on it. What are your thoughts in general around brokers working as solo agents within the office versus forming teams with other people and going about getting business as a team instead of just an individual agent within the office?

Craig: Well, we have a big team and we still split over half of our listings with other brokers and other teams. We can't be all things to all people, so if there's a submarket where we're not particularly deep, we will bring a broker in to work with us on that submarket that really dominates it.

I am 100% for both. I can answer 'yes' to both. We take on submarkets where we are dominant and we'll take on listings that are just our team. If we're in a submarket where we're not dominant or a client that we share with another broker in our company – because I started out as a sole broker, so I was sharing a lot of listings with other brokers in our office – I continue to do that with clients.

Our first listing when we started Lee & Associates was with Opus. Today that Opus relationship with Bill Blake and his team is still in place. So 30 years later, we're still handling all the listings that we do with Opus – not only on my team, but on Blake's team as well.

If the team allows you to take advantage of their strengths or their client, then it's easy to do. We do them both.

Jim: I would imagine that when you're going after business with the larger corporations and the larger REITs and things like that that they tend to like the idea of interacting with a team as opposed to a solo broker trying to get a listing with them. Would you say that that is correct?

Craig: I think one of the unfortunate changes in our business is a lot of institutions want bigger and bigger teams. I mean, there are nine brokers chasing a big property, and the number just

don't make sense. You end up having nobody who runs the project because you have nine people on it who aren't the point. So I know it happens, and I see it all the time.

We have listings where we have a big number of brokers on it, and I personally want to make sure that if I were handling it from the developer's side or the owner's side, I would want to make sure that there is a point on the project and you are comfortable with that point, because that's really what you're going to get. These large institutions like large names – CBRE, JLL, Colliers. Nothing against selling on the name, but getting the broker inside the name is really important. Then most important is: Who is my point, and how much time are they going to commit to my project?

Jim: Absolutely. That can definitely be a factor, and something that brokers have to think about. When you're working as a solo broker, it's wonderful to be the entrepreneur and have the flexibility, but it is probably going to be limiting you if you really want to go after those big listings.

If you're happy going after opportunities that are below the radar screen of the big companies and the big teams - \$5 million and under properties – you can make a great living being a master at that, too. It's all a matter of what matches up to who you are as an individual and what you would actually like to be doing as a broker, too.

Craig: I'm with you. I do believe there is still an opportunity for solo brokers to make good money. We're bringing in a solo entrepreneur who had his own retail business for the last five years, and he does just fine.

He ended up saying, "I want some synergy." So he's going to join our group in the next couple of weeks, but he was doing just fine on his own. He's a really talented broker who started his own company and did great with it.

Jim: One thing about the smaller transactions is they tend to beat you up less on the commission rate, too. On the big ones they can really hammer the heck out of you, and then the ego factor of the brokers going after the listings can come in, too. "We really want to get this listing, so maybe we'll be really aggressive on the fee because we want to get the listing."

Craig: We interviewed one of the top investment brokers in our marketplace to come join us. We looked at his numbers, and they were huge properties but no fees. We're like, "We're entrepreneurs. We're in this to make money. We're not nonprofits."

Jim: He was hoping to make it up on volume, right?

Craig: Yeah.

Jim: In your opinion, how can brokers differentiate themselves and really stand out from their competitors when they're going after getting listings?

Craig: This is an hour. That alone right there is an hour question. First, as we talked about earlier, you have to own the submarket. That's number one. You're hearing me say it twice, so it must be important,

Number two, I abhor processors. What I mean by that is: Jim Gillespie is looking for office space, and I'm your broker. Jim says, "I won't pay \$25; I'll pay \$23." Then I call my landlord and say, "Jim tells me \$23," and the landlord says, "I can't do it for that. I want \$24.50." I call Jim back and say, "It's \$24.50," and Jim says, "No, I can't do that."

So we're just literally playing phone tag, and I'm processing the transaction. In addition to owning the submarket, we want to add value every time we touch an owner. So we have to add value every time we touch an owner. That's a phone call, an email, a lease transaction, prospect reporting. Those are two ways that you can do it without doing anything.

Lately we have been doing really cool marketing campaigns that I think separate us. Traditionally we used to send out the flyer and all that. Now we actually have campaigns that we do, and we try – in our velocity that we do with our listings – we try to do a transaction a month on each listing so that we can do leasing announcements.

There are four ways, and two of them are just: How hard can you work? Two of them are cutting edge marketing – marketing campaign and leasing announcements. Those are ways that we're standing out from our competitors so they know that we're really in the marketplace.

Jim: Talk to us for a moment about the marketing campaigns and what you may be doing with that as well as anything with mail or email.

Craig: I have that weekly email that goes out to 30,000 people a week. It's my weekly narrative, so that's a start. We also have a postcard campaign where we send out a postcard once a month to 1,100 people, which includes all of our developer clients. We are active on social media, so we post on our Facebook page and our Twitter account two to three times a week. Then we do what we were talking about earlier – we're reaching out on a personal basis.

When I talk about touching the landlord three to four times a week, that doesn't include the amount of times that he might get a Tweet from us or a Facebook post or get something else. This is just our team doing it.

We are always in multiple avenue trying to make sure that everybody knows that we're in the marketplace working hard.

Jim: Something that I know you guys do – and I've interviewed Andrew in the past a couple of years ago, one of your team members – is you guys have a phenomenal schedule and requirement for everybody on the team to attend networking events. Could you talk for a moment about how that works and how many events per month people on the team need to attend?

Craig: Yes. Depending on where you are in terms of your career, let's start with the bottom where Greg and Michael our runner are. We have to attend eight events a month.

Jim: And that's every individual on the team, correct?

Craig: Yes. So there are four of us – one runner and three brokers. So that is 32 events a month. We don't want to overlap more than three to four events, unless it's a big event like a NAIOP Broker of the Year event. For that we'll have everybody there. We want to have 25 individual meetings.

This year Greg is on the CCIM board and he's on the Tech Council which meets once a month, and he attends the three or four big NAIOP events.

Michael is an attorney, so he is doing tons of work with the law bar, CLE classes, and those kinds of things.

Andrew is really heavy. He's on track to become President of the local NAIOP chapter. He's two years out. He's been on the NAIOP board for the last five or six years, and he sits on one other nonprofit board. Andrew's primary focus right now – because he's working his way up to Chapter President in Phoenix, and the Phoenix chapter is the second or third largest chapter in the country with 700 members. So Andrew is doing a board meeting every month and at least a couple of events every month with NAIOP.

I did the NAIOP thing. I was President ten or twelve years ago. Now my focus is on philanthropic. I was on five boards for 20 years. Those boards are how I'm developing other relationships outside of just the traditional brokerage NAIOP and CCIM and SIOR events.

Then we also go to SIOR events as well, but we're trying to do 25 unique visits with our four different brokers every month. So if you take that and you say that's 300 events a year that we're out schmoozing around, that's pretty good.

Jim: That is phenomenal! I've not heard anything like that with other teams, but I have to believe that in the midst of everything else that you're doing with the prospecting and the marketing and the building relationships, that this has got to fit in tremendously in terms of building and solidifying those relationships that will lead to closed transactions, right?

Craig: You know, it's an interesting thing. The answer is 'yes' but it's not concrete. It's not like cold calling where you catch the guy or gal and they give you information. It's more subtle than that. It's: How many times did you get to see that person this year?

I'll give you one thing that I just did. I did a speech for some business leaders, and I created 'Commercial Real Estate 101' which I had never done before. It wasn't just about my market, which is office. It touched on all the six segments of the marketplace in land, multi-family, retail and who the players are and who the brokers are and where we are and what cycle.

It went over so well that I offered it to a couple of my developer clients, and they jumped on it. So last week I did a developer one, and he has 50 employees which includes janitorial and sales assistants and secretarial and property management and assistants and building engineers. I did the presentation for all 50 of his employees at his company.

So, is that good marketing? I'm in front of the two principals there and spend an hour there and everybody in their entire company knows who I am. Did I get business out of it that day? No, but I can assure you that they're returning my calls for the next six months to a year without any question. I just gave them something – a gift.

Jim: Sure, and sometimes, as you mentioned, outside of prospecting with all the different things that you do to develop business in relationships, you can't really say it's one thing that did it; it's everything that you're doing at the same time throughout the year that builds the relationship to where they're sold on doing business with you and your team.

Craig: Correct. Absolutely.

Jim: I heard a guy who is an expert on teaching chiropractors who to grow their business. I heard a recording of him speaking in front of an audience. What he does is he's gotten so good and has this so systematized that he will basically go in and start chiropractic businesses in different cities and build them up and then sell them. He's in front of an audience, and he's telling the chiropractors in the audience the type of things to do.

Of course, one guy wanted to keep it as simple as possible. The audience raised their hand and said, "Can you tell me the one thing that I can do that will really explode my chiropractic business?"

He said, "Look, there is no one thing; from my perspective, there are approximately 65 of those things, and I do every single one of them, and it works tremendously. If you're looking for a simple one-shot solution, it doesn't exist."

It's the same thing in brokerage.

Craig: Correct. Absolutely. You can't just say, "Just do this."

Jim: Although if you had to pick one, prospecting would be a good one.

Craig: Yeah. That's the one that will feed you when the market cycles turn – having that consistency.

Jim: There's nothing like that that can connect you with somebody who needs to do something quickly because it can be a timing game. You're calling on the phone, and only a small percentage of the people you're calling are going to have an upcoming real estate need where they know it's time to talk about it. Most of the time they're not going to be interested. So that timing of when you hit that person at the right time, "Wow! I've been meaning to talk to a broker, and this call is timely. Let me tell you what we've got to do here."

Bingo! You love it! It makes you feel better at lunchtime.

Craig: All of the months that I've been cold calling, nothing, nothing, nothing. Then, boy, three calls in a row – boom, boom, boom! I get three hits on clients, three deals. It's like, "What is going on?"

Prospecting is an interesting, interesting thing. You never know when the hits will come. When you get the third one, you're like, "Keep going! I'm on a roll!"

We still prospect all the time, as you know.

Jim: There is a broker who I've interviewed over the years, and he's an amazing prospector. He says, "I've never seen a broker who sits down and prospects incessantly for 90 days who's not walking away with a ton of activity after those 90 days.

Craig: That's true.

Jim: Actually, for any broker listening who is thinking, "I don't have enough leads right now. I need more leads," that is basically kind of like a barometer or a thermostat indicator of needing to do more prospecting. If you ratchet up the prospecting, you're going to have more leads. So if you don't have leads right now, that is oftentimes a big indicator that you need to ratchet up your prospecting.

Craig: Correct.

Jim: Brokers are like, "No, I don't want to do that!"

Craig: You're in the wrong business then. I start my talks to the young brokers, "If somebody would have told me 30 years ago that I would be cold calling this morning, I would have said, 'No way! BS!'"

If you can't handle the cold calling, then this is not a business that you ought to be in. It's hard, and you have to do it.

Jim: The same guy who I was mentioning a couple of seconds ago, Mike Monteleone, who is a CCIM and won the award years ago for the Small Businessman of the Year Award in the City of LA, a couple of years ago I asked him, "Mike, so many brokers are thinking: When am I going to get to the point where I can stop prospecting?"

He said, "When you're six feet in the ground."

Craig: Right. When you're retired.

Jim: For example, somebody who has been around as long as you have and plays the game at your level, now your prospecting can take different forms where it's more strategic calls to really

high-powered people or building the relationship at a deeper level with past clients or socializing or getting out on the golf course or something as opposed to somebody new in the business who's just dialing and dialing people they've never talked to and never had any relationship with. So it can sort-of segue and transition into a more powerful form of prospecting and relationship building.

Craig: Correct. If you're prospecting, we have four different levels from interns to me. My calls are way different from the calls that are interns make. I know so much about the marketplace and so much about the tenants. I can talk to a tenant and say, "I remember back when you were in this other building 25 years ago."

Then they get a feel for what I know, and our interns don't know that. They don't know where the tenant was or who the previous managing partners was or who they used in their last transaction and why I'm calling them.

Even the cold calls or warm calls that we make are completely different from what our interns are making.

Jim: There are two guys I used to work with years ago – wonderful men who had been in the business a long time. They had each been in the business over 50 years. I thought, "Whenever they call on somebody with the two of them, they've got 100 years of combined experience in brokerage."

Craig: Wow! That's amazing. Jim, there's a good point. In the early 1980's brokers would leave to become developers. What's happened is our profession has become lucrative. People have seen developers go out on their own and lose their shirts. It's been really difficult for the next wave of brokers to come in because nobody has left the industry. There are a bunch of Craig Coppola's running around who have been in the business for 30 years. It's very difficult to break in nowadays. You have to be a real rock star.

Jim: Every now and then in a downturn I see one or two developers come back into brokerage again.

Craig: Right.

Jim: So once you've identified a prospect who you know is going to be listing their property and putting it on the market, describe the steps that you and your team go through from that moment forward in order to solidify the relationship and successfully land the listing.

Craig: Well, the first thing you do as a team is tour with them. You tour the property, and it's not a quick five-minute tour. You really get inside the tour and gather insight. We want to get answers to questions that are obviously overt, but also subliminal. You want to know why they're listing, why they haven't leased or why it's available, and what they're trying to do with it. Spending time with them and understanding the asset is really important.

A second part of spending time with them is to find out what is really driving the transaction we talked about earlier. We ask a bunch of questions early, and then we start trying to find out if we're on the same page in terms of what they feel – if it's \$30 rents and we think it's \$25 rents and we have a long ways to go.

We meet with them in person. We just made a pitch to Goldman Sachs. They're buying a building here, and we didn't get it. We knew it, but we wanted to get to know the Goldman folks. We typically have a relationship already, so our differentiator isn't that we're trying to build from day one; we're trying to build on this specific project and why we're the best for that.

Our presentation, then, is not focused so much on who we are, but it's focused on how we can help them with this specific asset. I think that's a differentiator from a lot of other people.

In the old days, we used to walk in and go, "Here's Lee & Associates. Here's Craig's resume." It was like how you started this podcast. Then we did, "Here's how many transactions we did."

Now we try to spend 50-70% of the entire presentation allotment on how we think we're going to handle it and what we're going to do for the marketplace and how we're going to be held accountable for that project.

Jim: That's so important because they're not interested in you. As somebody who I've been friends with and interviewed on different calls over the years, John DeGrinis with Colliers, who is an SIOR, said, "If they're taking the meeting with you, that normally means that you've already made the grade with what they already know about your level of accomplishment. They want to know what you're going to be doing about serving their best interest and how you can identify their needs and ask them the right probing questions to help them arrive at the right decision."

So you want to minimize the time where you're talking about you and what you've done, and maximize the time where you're getting into and finding out what's important to them and how you can work with them to provide the best solution.

Craig: We send our team bios before the presentation. "Here's our bio. Here is our relevant experience with this listing."

We won't spend any time talking about us unless you have a question, and then we just talk about the project. We don't even have it in our presentation anymore.

Jim: When you're going in for the presentations, I'm assuming you have other members of the team in there. Do they each have their own responsibilities with respect to what they're going to talk about during the presentation?

Craig: We do, and that's a hard lesson to learn. I was a sole broker for so many years, and with Andrew I know more. Actually, I used to know more. I don't know any more than Andrew now, but I used to just take over the damn meeting because I thought I was the smartest guy in the room.

It's still a work in progress. I always say, "Give me my role, and make sure I don't know anything about the other roles because I'll take over those, too."

The answer is: Whoever is in the room has to have some value added to the team, and what are you going to do? That piece has to come in naturally. It can't be me standing up and going, "Here's my team, and here's what they do."

It has to be worked into the presentation like, "Here's what we're going to do for your property, and this is my role within that. Here's what Greg's role is," and then Greg would talk about what he's doing.

I've done it 20 times with, "Here's my team and here's what Greg does, and here's what Andrew does." We don't do that at all anymore. We talk about the property. Then at the appropriate time when we get into the marketing program, Chelsea Clifton, who is one of our team assistants, will have a role there. "This is what I do for the marketing program," and she follows through with that. That's what her strength is. That's when she starts talking. It's not more, "Here's what the roles are going to be," but it's, "Here's what we're going to do for you."

Jim: Sure, and along the lines of what you just said, sometimes I will hear from senior brokers saying, "Why do these people always have to call me once we've got the listing? Why don't they talk to the members of my team?"

I tell them, "Because you probably took control of the entire listing presentation and ran the show, and everybody else was just sitting there quietly in their chair, so the principal thinks that you're the only person who they should be talking to."

You have to bring the other team members into the presentation and let people know how they'll be interacting with them so they feel confident with it. Otherwise they're going to think that you're the only person they should be calling.

Craig: I said that exact same thing for years, so we now go in with the lead. Our lead – whoever that is, and I'm never the lead on a listing anymore – whether it's Greg or Andrew or Michael with the smaller ones, they run the presentation. So from the very start, all the presentation is whoever the lead is going to be. I just fill in with everybody else's role.

Jim: How big are your listing presentation packages, and what kinds of things do you put in there?

Craig: It really depends on the listing. There are two parts of the presentation. One is the takeaway, and the takeaway is everybody checks the box. I never really thought that anybody looks at those, and you spend so much time on them. Then there is the actual presentation.

It could be fairly thick, or it could be fairly thin. It depends. What is really interesting about us, Jim, is we are constantly changing. I can't just tell you one answer. Our presentation that we just did yesterday for the big national company, Heinz, was way different than any other presentation

we've ever done. So we're constantly looking at: What does this project need, what is this developer or owner looking for, and how can we best do it?

So it just depends. Sometimes we use banners, sometimes we use PowerPoint, and sometimes we just use placemats, and sometimes we just use the takeaways. It depends on how committed we are to it.

For instance, on this Goldman Sachs thing where we knew we were a longshot and we just wanted to start meeting them, we did a 20-30 page package, but no real formal presentation. We didn't blow it out for that.

Jim: Do you know who Bill Gladstone is?

Craig: I don't.

Jim: Bill is an SIOR, CCIM out of Harrisburg, Pennsylvania. He's a great guy, and I've interviewed him a number of times over the years. He's always giving and wanting to do these calls.

Bill and his team have a \$100,000 a year marketing budget. He is a very creative guy. He has bobblehead dolls made to look like him. So Bill was talking about how occasionally he does this where he will record a video of himself in front of a green screen, and then the team will put a certain background in there. Then when they walk in to make a listing presentation to a corporation, he will basically stand there and do a live interaction and talk with himself on the green screen like they're having a dialogue between two people live. He says it just busts these corporate decision-makers up, and they love it. It's just a really fun thing that he and his team do.

Craig: That's great! I love creativity. That's a great idea – I love it!

You're out of LA. Do you know who Michael Kosta is?

Jim: I don't think I do.

Craig: He's a comedian out of LA. He comes over and does this thing. We actually filmed this funny thing, and you can go to www.C2brokerage.com and then go to the 'All things media' tab. There will be a tab on the left with a red circle that says 'C2 Comedy'. We have a whole bunch of videos there. You've sent out a couple of them, but they're all posted on there.

You know *The Bachelor* videos. We also have a tour that we did with Michael that we taped, and Michael is a comedian. So we used to show that at listing presentations, "This is how our tours go," and it would be this comedian walking around the office space just making jokes. It's on our website now.

Jim: You just mentioned it briefly, but I want to mention to everybody that Craig's partner, Andrew, does a video every year for the NAIOP conference. One that he did one year was just phenomenal. I actually posted it on my website. It's a commercial real estate takeoff of the show

The Bachelor where basically the top property owners in the area are trying to woo the tenant, and it's hysterical. They go through the process where when they've been selected to move to the next level as a possible landlord for him, they will give roses to the landlord people and get emotional over it.

If you haven't see that, just shoot me an email and I'll send you a link to it on my website. It's just hysterical, and it's a brilliant idea to do in the context of commercial real estate.

There's a great plot twist at the end that we can all relate to as commercial real estate brokers. It's wonderful.

Craig: It's one of the best, yeah. We have *Shark Tank* now that we just went through last year, and I was one of the sharks. In fact, last week we just posted Andrew's, which was 'amazing balls'. They have these fortune-telling balls that they were pitching to the real estate sharks. It was pretty funny.

Jim: It's very creative, and I'm sure it just gets a big laugh from the audience at the NAIOP conferences.

Craig: Yeah.

Jim: Something that I've thought of that I've been telling commercial brokers that they could do is doing videos. It's much easier nowadays than most people recognize. I mean, you can do things with an iPad, and it's basically easy.

I've got over 50 videos on YouTube and on my website. I'm just thinking, for example, that a broker could do a monthly or a quarterly market update – two to four minutes on video – and just be sending this out on email monthly or quarterly telling people what the trends are and maybe the major transactions and what this now means in terms of the forecast of where things are going to.

Now you're literally getting face-to-face time with these people where you're like a network news anchor. They're seeing you like the voice of authority, and you don't have to be in their office at that moment in time. That could be huge, along with everything else you're doing to make them feel that you're the person who's got the answers that they should be working with.

One other thing also: If you know of a landlord who is saying, "Yeah, we're going to be selling our building, but we're still several months away," you could prerecord several two to four-minute videos on different segments on how to sell your property for top dollar and give them tips about the important things they'll need to know about ahead of time because almost no other broker would do this. Now you're building that rapport and them thinking of you as a good broker with good ideas in helping them to make decisions to help you solidify that relationship as that time is going by between now and when they're ready to put the property on the market.

Craig: Good point. Excellent.

Jim: Again, going back to something that we talked about earlier, making presentations as a team versus as a solo broker, I have to believe that when you're dealing with more corporate people – especially people who work on committees and stuff like that making these decisions – it could seem very quiet when they're getting a presentation for a listing from a solo broker versus two other brokers who have teams around them. I have to believe that that would help make them want to gravitate more towards the teams than the solo broker, all things being equal.

Craig: Well, the pendulum has swung. It was crazy in the early 2000's. We would pitch a big property. We would walk in right after CBRE, and CBRE would bring in ten people – somebody from Torto Wheaton and the Economist and they would bring in their appraiser and two marketing specialists and their research person. It was like: Who's actually going to do the leasing on this?

But we lost some projects because they had their ten and we brought in our three brokers and said, "Hey, we're going to go actually cold call."

We started adding our team. Now we have a pretty big team and we're diversified. My point on that is: If they have a role, bring them. If they don't, then don't. You don't want to just bring the numbers. If their role is valuable, bring them. If the role on the team is just to do data input, I'm not sure that they should come to the presentation.

What you want to do is you want to bring enough firepower in the room to make them feel like this listing is a priority and you've got the right team on it. By 'team' it's not only brokerage, but it's also support and the things that could get executed when you're promising.

We typically never go in alone. Yesterday with the Heinz guys it was with Andrew and myself only. Heinz limits theirs. With the previous one we did, they limited it to three people only.

Jim: Really?

Craig: Yes. They just said, "Our room isn't big enough. Don't bring ten people. Three is the max."

I really liked that. It was like, "Thank you for doing something nice like that."

You don't need a lot, but you need something. You want to make them feel like whatever it is. If it's the smallest thing and you think you're going to handle it yourself, then do it. Just make sure that the 'team' – whatever that team is, and it could be a team of one or a team of ten – is making the presentation.

Jim: When you said that the Heinz people said, "Our room isn't big enough," I'm thinking, "My God! They've been around for a long time. I've got to believe that they have bigger rooms, or are they stacked against the walls with ketchup, or what?"

Craig: I think that was just an excuse to not have ten people in there. I took it as, “We just want to see the people who are working on our project, the people who we’re going to hear from every day.”

We were like, “Great!”

Jim: You kind of do it in code instead of directly, right?

Craig: Yeah.

Jim: In your opinion, in the overall scheme of things, when you’re going after getting a listing, how important is the actual live face-to-face listing presentation that you’re making to your owners in terms of you and your team actually landing the listing? Is it a big part or just one component?

Craig: No, in our world – in the office world – it’s paramount. If you don’t have a face-to-face meeting, it’s not real. I mean, it’s not a real listing. If you can’t get face to face, don’t give your best effort. I think you’re wasting your time.

You can still do it, but they’re not going to hire you because they don’t know you.

Jim: Ideally you would like to have a great relationship in place with the people such that even if you’re one of three teams making a presentation to get the listing, that they’re favoring you ahead of time and you feel there’s a great chance that you’re going to be landing the listing, correct?

Craig: Of course. We were talking about why we do all these events and all these kinds of things. That’s what gets you not only to the listing presentation, but also you have a leg up on anybody else because they know that you’re in the marketplace.

It is interesting, though, that we have developed such good relationships with developers that we’ve been called in, and even though we’re not really the guys who are going to get the listing, they call us in and we spend a bunch of time and then we don’t get it because they just wanted to get our market data.

We’ve had to really push back and go, “Look, if we’re not the ideal folks for you, we’re happy to sit down with you and go over the marketplace. But don’t make us spend 50-80 hours because we track our time.”

Chelsea’s time on our last big presentation was 80 hours of her time – our team assistant. We spent over 140 hours as a team on the presentation. That’s a lot of time, and it’s a lot of time away.

We would be happy to sit down and go through it, but don’t make us pitch just because you want to hear us talk.

Jim: Exactly. A story that I want to share from somebody who will be listening to his, he's a very successful office broker. He has been in the business for 30-35 years. I remember one time on a coaching call he was telling me a story. He said, "I just had the air let out of my sails a little bit. We had this listing on this office building that we thought we had the inside track to get. I just had my conversation with the woman who was in charge of the committee, and she told me that they gave it to somebody else. I don't understand. I thought things were going well, and I thought we had the inside track."

He said, "She very directly changed her tone and said, 'They had a woman on their team, and you did not.'"

I just said, "She just gave you a big gift. You may be disappointed that you didn't get it, but now you understand that these types of agenda can be going on outside of your awareness."

He began to look into bringing a woman onto the team. You just never know. In this day and age, you want to show that you're diverse.

Craig: You really appreciate when they're honest with you. I'll tell you, sometimes you're butt-hurt because you're not going to get it or you're not the right team or whatever it is, but I appreciate honesty because you want to get better. You want to know why you didn't get it.

We've been trying to hire a woman on our team for 20 years. It's very difficult to do. We would love to have a woman on our team.

Jim: Plus whenever you're bringing somebody new on, it's always a specific role or spot that they have to fill. You always have to hire the best person for the job, but you know that you're looking for somebody to play this one specific role. Ideally you want the best candidate as a woman to emerge for that one role.

Craig: Right. It's been interesting because there are two young women who have come into our industry on other teams outside of Lee & Associates. I talked to both of them. We could have had both of them, but for our team what we try to do for the hours and the commitment that we have our runners commit is 70 hours a week for two and a half years. They didn't see that, and other teams hired them.

I'm not sure if I've missed the opportunity because they were both very talented women and very polished, but the idea of spending two and a half years making nominal money and working as an indentured servant for us just didn't sell for them, so they went to other teams where they didn't have to do that. We will see how their careers go. Both of them were from outside the industry.

Jim: You just mentioned that your runners commit to 70 hours a week for two years. Is that correct?

Craig: Two and a half years. Correct.

Jim: Wow! That is serious!

Craig: And we pay them \$20,000 a year.

Jim: Wow! That really takes dedication and being convinced that this is the career for you, which is – I’m sure – what you want them to think going in.

Craig: We tell them, “This is easy. When you’re on your own and you’re getting 1,000 no’s, that’s the hard part. The easy part is committing to 70 hours.”

We hand them transactions, and we really groom them. It is a tough business, and business is not getting easier. It’s not easier today than it is when you were a broker. It’s harder now. There is a lot of consolidation going on.

Jim: One of the guys who I interviewed months ago said, “Nowadays with smartphones, it used to be that you could be gone at five or six o’clock at night. Now your principals want to get access to you any time they want to outside of business hours.

Craig: Today we were talking about this McCarthy Cook/Morgan Stanley conference call. Greg is our lead on this building that we have at 24th and Highland, and Greg is in Italy. Guess who was on the leasing call this morning from Italy?

We told him that he didn’t need to be on it, but he is the lead on our team. He said, “I’m going to be on the call because I know the transaction and I’m the lead.”

He took time out of his Italian vacation to be on the leasing call.

Jim: With all the great things that you guys are accomplishing, what goal do you have that you’re still excited about working towards?

Craig: Oh, boy! The number one thing that I have been working on is the transition. What has happened in our business over the years is brokers retire and their business dissipates. It’s sad. People will spend 30 years doing something, have a nice career, make lot of money, make themselves financially secure, but they lose clients.

My biggest goal over the last five years is just to transition my team to Andrew and Greg, but really Andrew, and make sure that the next generation can continue the relationships and the clients and the service that we do. So this transition of business to the next generation is really key to me.

As far as our team, really elevating ourselves as a team and individually to a level that they aspire to, none of them have had the success that I’ve had. So it makes me smile when I know my assistant has made more money than a number of brokers in our office, and my assistant is not a broker.

I love the idea of building this team, and that's what this is for. It's not for me. I've obviously made plenty of money. It's really this transition and making sure that their skillset is exactly the same as or better than mine because they have skills that I don't have. It's pretty exciting.

Jim: It's interesting because over the years on the residential side of the business I hear about agents and teams who, when they're retiring, they sell their business as brokers within a brokerage office to other people. They basically provide all the introductions to the people and make the transition, and they get paid good money for this. Yet this is very hard to find on the commercial side of the business.

I have to think that if somebody planned in advance and laid everything in place to move towards that, there would be a way that they could do that, too. I just really haven't seen it.

Craig: That's what I'm trying to do. How you do that, you're not going to get a check, but you're just going to get splits. So every year Andrew's splits grow a little bit more and mine decrease a little bit more, and we track it. We track who brings in the business, who actually works on the business, and we have a breakdown of it.

One of the big changes from when you were in brokerage to today is the value of the client is way greater. It used to be when we first started that you got a referral. Somebody gave you a deal and you got 10% or 20% of the deal. Today you bring a client in, and it's worth 50% of the deal.

We track who brings every client in the door and where the deal comes from. Then the value of actually working the transaction is not that much. Certainly it's 20-25% of the deal, but it's not any more than that. There are plenty of people who are talented brokers who just can't generate business, and business generation is the number one thing. We talked about it in prospecting.

So we break it down. So every year I'm selling, in essence, my practice to people who I really care about. Each year they get a little bit more of the splits, and we're all happy.

Jim: So just before we go and ask for questions, if you were to sum up what the top three to five things that you believe brokers need to focus on in order to become outstanding at getting listings, what would those three to five things be?

Craig: Create a five-year plan of what listings you want, and chase those buildings. When I say a 'five-year plan', it's what specific buildings are you going to go after. Sometime in the next five years, those buildings are going to change hands. You need to be prepared to be able to get those. So you're going to target the key owners and build the relationships now.

Building the relationships before there's a requirement or a transaction is what is key, and that plan is how you're going to own the submarket of those buildings that you're chasing. Then you have to work your ass off. I think there's no two ways about it. You say it all the time, and everybody says it, but creating an intentional plan, working your butt off, and becoming the voice of that submarket with those owners and those specific people who are buying is a great plan for somebody.

Jim: Sure. Working your butt off is a very important component as long as you're focused on doing the right kinds of things that you outlined successfully at the same time, too. Good.

Now let's see if we've got some questions, especially since we're doing this earlier in the day. If we don't, I've always got email questions that people have sent in, knowing that they weren't going to be on the call.

So if you would like to ask a question, press *0 on your telephone right now so that the operator knows that you want to ask a question. Wait for the operator to come on and talk to you. Press *0 just one time. If you press it a second time, the operator will think that you actually want to cancel your request to ask a question. So if you want to ask a question, press *0 right now.

In the meantime, while we're waiting for questions, let me tell you what we're going to be talking about in our next three Inner Circle calls.

In September we're going to be focused on Power Brokering in Commercial Real Estate Brokerage. So many people are falling short of being the power broker that they want to be within our industry, even though they aspire to be one. So what we're going to talk about – and we're going to be interviewing a top broker – is identifying the things that you're doing that have you on track to successfully becoming a power broker and identifying where you may be off track right now so that we can nip those things in the bud, so to speak, and give you the game plan and the things that you need to be doing to get on track to becoming the power broker that you want to be.

In October we're going to get into Mastering Your Power of Persuasion Skills. The subtleties of persuading your clients and prospects really makes the difference between you being chosen for an exclusive listing or tenant rep assignment or one of your competitors being chosen instead.

In addition, persuasion – which is something I have studied in great, great detail for 20 years, and even wrote my 210-page dissertation on it – is not about pushing your clients and prospects into doing what you want them to do; it's about having them feel that they just naturally want to do what you want them to do, and there is really a big difference between the two of these.

So during this teleconference in October you'll learn how to change your presentations in ways that will have more of your clients and prospects just saying 'yes' to working with you over your competition.

Then in November we're going to be targeted on keeping your clients unbelievably loyal to you. So many brokers don't do a great job of getting the repeat business that they really want to get from their people, and then they keep hustling, trying to find new people who they've never worked with before. So as you mature as a broker and as you've been in the business for more and more years, you want to not only find new business – which Craig and his team are constantly hustling all the time with their prospecting and shoe leather – but you want to continue to build the relationships with your past clients so they're already sold on working with you over the competition the next time they have a real estate requirement.

So if you do this really effectively, when you've been in the business for 10, 20, 30 years, or more, you could actually have this lead to closing tens of additional transactions per year depending on the size of your transactions if you do this successfully.

With that being said, Operator, do we have a question?

Operator: At the moment we have no callers in the queue. Ladies and gentlemen, for questions please press *0.

Jim: Alright. Let me go to the potential questions.

Craig: I've done these, Jim, and I don't know if I was bad or if I was really good.

Jim: It's a combination of different things, but I know that brokers don't like to look like they don't have the answers. Even though we won't know who they are because they just mention their first name, sometimes it's like, "I'd rather hear somebody else ask a question," and that's okay.

The truth is that the majority of the people will be listening to the recording of this when I get the recordings out to them. I think that the change in time might have shifted that a little bit, too.

Let me look at the questions here. We have one from Chuck. He says:

I want to get more prospecting done, but I keep getting distracted from getting it done. Do you have any recommendations for me?

Let me take this first, and then I'll go to you afterwards. Ideally you want to schedule your prospecting in advance and hold the time sacred, and let nothing get in the way. Those are great words coming out of my mouth, but you've got to really get that done.

I recommend scheduling the exact same days and hours of the week for prospecting every single week throughout the end of the year so that you know if it's Tuesday at 9:00, that means I'm prospecting, so I've got to schedule any other appointments around that.

Just lock it into your calendar for the rest of the year. If prospecting is something that you try to fit between the cracks when all the other appointments have been taken, it's not going to work. You're going to get it done intermittently. So schedule it in advance – ideally in the mornings because I think when you get it done first and you've got the rest of the day afterwards, you can do whatever you've got to get done in your business until 5:00 or 6:00, but if you schedule it at 2:00, you can think, "I have to get this other thing done by 5:00, so I can't do my prospecting again."

So schedule it in the mornings, hold it sacred, work all of your appointment times around that, and that's my big recommendation on that. Craig, do you have anything to add?

Craig: Yes. I would say two things. First, for me I spend ten hours a month prospecting, but I schedule fourteen. I schedule the ten hours in the first ten days of the month. So I say, “Okay, I’m going to get ten hours in.”

Inevitably, what happens is some of those hours are taken by a meeting or whatever, and then I’ve got another four hours in the third week of the month to make sure that I still get my ten in.

I always do it early in the week. I would tell you that it’s got to be a Monday or a Tuesday for prospecting because by Wednesday, all hell has broken loose and the week has changed.

We are Monday morning canvassers and cold callers or Tuesday morning canvassers and cold callers, and we do them the first Monday and Tuesday of the month, and the second Monday and Tuesday of the month, and then we fill in afterwards.

When you say, “Lock it in. It’s 100%,” we lock in 40% more in time for me. Chelsea does it for me on my schedule.

I’ll give you an example of this. I was telling you, Jim, before the call that I am going on this three-week trip. So when I come back, the first ten hours I want to make sure I get my calls in before everybody even knows I’m back because I know I’m going to have a bunch of meetings.

Jim: Sure. You bring up a good point. Along those lines of getting it done early in the week, I tell people, “Schedule your prospecting so that ideally you get it done by Thursday.” Then if something came up – which can always happen – where it took you off track, you’ve still got Friday to make up what you didn’t get done Monday through Thursday. So I would anticipate this idea that something could come up to interrupt you, so plan on getting it done at the latest by Thursday. Then you’ve at least got Friday to make it up if you need to.

Craig: And planning that buffer time into Friday.

Jim: Yes.

Craig: You can’t just leave and say, “If I don’t get it done, I’ll get it done on Friday.” Friday is going to roll around, and your schedule is going to be full.

You gain the extra hours if you get your stuff done, but you don’t gain it if it’s booked and you say, “Oh, I booked it Friday and I didn’t get the calls done. I’m a zero there.”

You have to actually put it in your calendar.

Jim: Absolutely. The more that you can just religiously keep it Monday through Thursday from 9:00am to noon, and that’s what my year looks like, the better.

A story I like to tell is when I first started doing coaching and I was booking appointments to speak in brokerage company sales meetings in the greater Los Angeles area. I said to an old friend of mine, “Introduce me to your managers so I can come and speak at the meeting,”

because managers are dying to find speakers because they can't think of something new to say every week, and you run out of new material basically.

So I booked the appointment, and I called my broker friend up and I said, "Hey, I'm going to be talking next Tuesday at 9."

He said, "Jim, you know that's right in the middle of my prospecting time, so I won't be able to come and see you speak. I'm committed to doing my prospecting then."

I said, "I get it. That's your commitment."

Craig: I love it.

Jim: Absolutely. So one more question comes from Karen, and that question is:

Do you have any companies you would recommend for gifts that I can send to my clients?

Let me mention a couple that I use that are great. One is located at www.Brownies.com. The other is www.WineCountryGiftBaskets.com. Good food, good sweets. You can basically send them an Excel file with all of your recipient's names and addresses in there and have them mailmerge and send the same thank you card to everyone, "Dear Bob," and, "Dear Sharon," and it would be personalized from you. It really makes it easy to get this out, and their food and their products are good.

For those of you who have been in the program for a while, you know I have sent you gifts from these organizations over the years.

Do you have any recommendations on that, Craig?

Craig: I'll tell you one that we love is Harry & David. We love the monthly fruit because they remember you every month for the year. So if you upgrade to the monthly, I think it's ten months out of the year that they'll get different fruit. You get a little gift card that says, "From the Coppola-Cheney Group. Enjoy your pears for the month of May," or whatever it is. That's one.

Then we do something with our logo on it, so we get logo items. One of the cool ones we did a couple of years ago was we put our logo on some mousepads and sent it out, which was interesting. We'll go into clients' offices and we'll see our mousepads sitting on their desks, so they're thinking about us every day. That was pretty cool.

We did thumb drives with our logos on it, and mouse pads, not just the pen that can be thrown away. We wanted to do something that people could use.

Jim: Absolutely. That's great. Harry & David has been around for a long time. They're a quality product. I still remember they're out of Medford, Oregon. I've utilized them over the years.

That idea of the fruit of the month club, and sending it every month, if you have a great relationship with somebody who represents a solid amount of brokerage commissions from, paying for that for the year is nothing compared to continuing to solidify that relationship to keep getting more business from them. I mean, it should be a no-brainer except for the fact that so many brokers don't believe in spending money on gifts for people.

Craig: Right.

Jim: So you get it.

Craig: Yeah. We spend a bunch on gifts.

Jim: It's like some people say, "Jim, why would I do that? They should remember me and be loyal just because I closed that transaction with them three years ago."

I say, "No, no no. Your competitors have been calling them since then."

Craig: I'll tell you what's interesting. We've been gifting the tenant reps. Talk about listings here, we have a tenant rep who just did a big transaction. I can tell you, he's a wine guy. Three different times during the transaction we sent him over some really tasty wine. We're not talking \$50 bottles of wine; we're talking about \$100 bottles of wine just because he was really working the transaction for us.

Jim: Yeah.

Craig: So it's not just your clients, but on the listing side the tenant rep brokers are our clients.

Jim: That's a great recognition on your part.

So in moving forward, what is it that you're going to do between this month's call and next month's call to take your business to the next level? If you want to get more new listings, what do you want to implement out of what Craig and I have been talking about here today to help you to take your business to the next level?

A lot of times prospecting can be a great place to start if you haven't been getting your prospecting done, or if you don't feel that you've been producing enough listing opportunities for you to go after in recent months.

Do you need to work on your presentation skills at all? Do you need to maybe call some past clients that you've been out of relationship with because it's about time that you gave them a call to see if they've got any business going on that you want to make sure that you're in on? Or do you want to take your branding and marketing to a new level so that people will remember you above everybody else, even before they have their next commercial real estate requirement?

Craig talked about owning that submarket. What do you need to do to take that level of proficiency to a new level so that not only do you own the submarket, but that your people and your prospects and your clients get that you are the only agent and/or team that do own that submarket?

Write down one or two things that you're going to take action on between now and next month. Don't be one of those brokers who are being reactive to people calling you; you need to be proactive and chart your ideal destiny with the ideal game plan to get there.

Craig, I just want to say thank you so much for being here with us today. You're wonderful. You did a great job, and I greatly appreciate you taking the time to do this. What do you want to say in wrapping up here?

Craig: Thank you. You provide so much value, and it's interesting to get your questions and sit down and make me think about it. What I feel really good about is there is no magic in our business doing those things and making the main thing the main thing. Doing what you need to do when you need to do it is how successful brokers are made, and I feel good about our team and where we are because I feel like we're on the right track.

Thanks for allowing me to tell you what we're doing and to feel good that we're on the right track for our team. I appreciate it.

Jim: Outstanding. Thank you so much.

During our next Inner Circle call next month, again, the topic will be Power Brokering in Commercial Real Estate Brokerage, learning what you have to do to become even more of a power broker in your own business and in your own territory. Write down one or two ideas that you're going to get done between now and next month. When you do this month to month, things begin to build. Excitement begins to build. Opportunities emerge. You're in the middle of transactions just by doing a few little great steps and building on that every single month.

If you're ever interested in one-on-one coaching above and beyond the 10-minute appointments you get as being a part of this program monthly, let me know through my website at www.CommercialRealEstateCoach.com. We can do some great things if you're ready to step up, be accountable, and make it happen.

Thanks again to everybody including Craig for being on the call today and for being a part of this program. I look forward to joining you again on our next Inner Circle call next month. Take care and good night.