

Real Estate Forum[®]

October 2016

SOCIETY OF INDUSTRIAL AND
OFFICE REALTORS
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**MANUFACTURING'S
MASSIVE EXPANSION**

TOP TECH TOOLS OF THE TRADE

NET LEASE'S LATEST SURGE

From Left: Robert Thornburgh, Geoffrey Kasselmann and Del Markward

Real Estate Forum Digital Edition: www.globest.com/realestateforum

An **ALM** Publication

IN ITS 75TH YEAR, SIOR IS SETTING
THE STAGE FOR THE INDUSTRY'S FUTURE
AS IT ROLLS OUT BOLD INITIATIVES FOR
VALUE AND GROWTH

SIOR was founded during World War II as SIR, Society of Industrial Realtors, when the war production board requested assistance in locating plant space that could be utilized for the production of defense, and later war material, for the impending war abroad. There was a desperate need for industrial facilities for the manufacture of products such as smokeless powder, munitions, explosives, ammonia nitrate, anhydrous ammonia, proving rounds, small arms, artillery, lubricants, automatic weapons, small cannons, aircraft engines, air frames and assembly. From January to October 1941, competing real estate professionals collaborated to assemble a listing file of more than 10,000 available industrial buildings encompassing millions of square feet of space. The US relied on these future SIR members to locate and acquire or lease the manufacturing and distribution space needed to fight and win World War II.

By Lisa Brown

After the war, there was some concern that perhaps SIR would no longer be relevant, but it was far from outliving its useful purpose. The direction shifted sharply to the disposition of government-owned surplus property. This led to the permanence of the society, with competitors coming together on a not-for-profit basis to continue to serve the greater good.

As the organization became established, SIR (which added office members starting in 1986 and thus became SIOR) further distinguished itself from other organizations by adding membership requirements of a minimum number of years in the business, letters of recommendation, and passing scores on courses and final test. Indeed, from the beginning, SIOR has always taken a unique and thoughtful approach as an organization.

Fast forward to today where SIOR's relevance continues to be felt on the world stage. With 3,100 members across 34 countries in 48 chapters, SIOR is a forward-looking organization with a solid foundation. And, as it celebrates its 75th year in 2016, SIOR is not content to rest on its laurels and bask in ceremonial celebrations. Instead, the organization has rolled up its sleeves and embarked on a plan that will ensure SIOR will not only survive, but thrive for the next 75 years and beyond. By creating this strategic plan, SIOR looked well into



Heading up SIOR's leadership team this year are (from left) Robert Thornburgh, incoming SIOR Vice President, Geoffrey Kasselmann, incoming SIOR President; and Del Markward, incoming SIOR President-Elect.

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Photos: William Neumann

the future, not only to remain nimble with the ever-changing business environment but to also continue to deliver value to its members. In this process, SIOR also remains resolute in upholding the core values that have defined the organization for 75 years, including serving the greater good.

"Several years ago it became apparent that technology changes were coming down the pike, and that they were going to affect the way brokers would conduct business," says Richard Hollander, SIOR's executive vice president. "So we embarked upon a strategic planning review to make sure that the pace of change outside of SIOR did not exceed the pace of change inside of SIOR."

Throughout this strategic planning process, the duty-bound leaders and brand stewards of the organization looked as far into the future as possible to ensure the relevance and success of SIOR. In addition to hiring outside consultants for added insight, the board engaged the top SIOR 30 to 40 leaders in the process, and interviewed hundreds of external business and real estate leaders who are not SIOR members.

"We reviewed the results together, and what came out of that were five key areas that we needed to focus on to ensure comparable success and viability moving forward, one of which was

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GEOFFREY KASSELMAN
Incoming SIOR President



a governance restructure to be more nimble, collaborative and communicative,” says Geoffrey Kasselmann, incoming SIOR president and an executive managing director with Newmark Grubb Knight Frank. “We have pursued with equal vigor those five focal points, and one of the first things to be completed was this governance rebuild or restructure. It’s the foundation by which we can pivot the organization towards the future, and that’s why it was such an important thing to do at this moment in time.”

Kasselmann notes that the point of the rebuild was also to increase the internal communication, collaboration and flow of information. SIOR previously had a number of governance councils and committees sometimes working in a vacuum without a clear understanding of overlaps, he explains. The new governance structure takes advantage of those overlaps to create synergy and collaboration.

“We significantly modified our governance structure with two goals in mind,” says Hollander. “We wanted to enhance decision making and to ensure that all voices in SIOR would be heard. As part of our restructuring, the board was reduced from 21 people to 15 people in order to make it more streamlined.”

In conjunction with these exhaustive but productive efforts, the organization set about developing a plan for change. “A group of members were tasked with developing a new strategic plan and an annual operating plan. It had a number of key elements. For example, we wanted to engage our members in customized ways that recognized their different needs,” he adds.

In addition to the top priority of member engagement, SIOR developed the following four on-going strategic initiatives: broadening of external marketing and branding scope, transformation into a tech-driven business and a data-driven culture, creation of industry-wide thought leadership, and enhanced SIOR chapter engagement.

At the outset, Hollander indicates, with the organization’s growth came a very real need to focus on enhanced member engagement, recognizing that some SIOR members specialize in industrial real estate, others specialize in office real estate.

Some are with global firms and some are with independent firms. Some operate in major markets and others in secondary or tertiary markets. The organization’s goal is to ultimately tailor its offerings to meet the specific needs of each group within existing markets and expand SIOR’s global footprint and reach with entry into new markets.

“Success is often times largely based on finding that balance between old and new, changing the things that are tired while preserving the qualities that previously determined success. We are a vibrant, growing, global organization,” says Robert Thornburgh, incoming SIOR vice president and president and

CEO of Heger Industrial. “SIOR’s forward-thinking, overarching strategy over the next decade takes place in the context of ever-increasing globalization. This reinforces the need for the most sophisticated, knowledgeable, cutting-edge commercial real estate advisors who are linked together through a best-in-class network that reaches every corner of the world. Long gone are the days where we solely focused on just the local real estate. Our connectivity with other SIORs from around the globe addresses this need by providing international expertise, reach and a voice on both current and future market conditions.”

From within the member initiative and globalization focus came the recognition that the face of members was changing. Younger professionals have a fresh way of conducting business with different interaction concepts. In response, Hollander points out that SIOR established a Young Professionals committee. Its purpose is to help more fully develop programs for that demographic so the content is more meaningful, and assist in recruiting and retaining the next generation of professionals.

“The previous generation may not have invested time, energy and resources thinking about search capabilities and their digital presence but this new group does,” says Thornburgh. “Innovation, creativity and entrepreneurial thinking must be encouraged, sponsored and acknowledged. I am confident that by virtue of its innovative approach to real estate, SIOR and its members will continue to lead our industry, be more than able to meet the challenges posed by a rapidly changing world and serve as a role model for the future generations of this amazing industry.”

As a tangible example of its different approach for this group, at both the SIOR spring and fall world conferences, young professionals have one night of the week’s events set aside for them to network and socialize, says Hollander. And, there is a young professional’s welcome reception at both world conferences.

“We want to encourage people to get together with their peers, because it’s those relationships that they develop at the peer group level that ultimately provide them with business and

“It takes just one creative idea to change our world, and the same can be said for real estate. Simple ideas can spark extraordinary change.”

ROBERT THORNBURGH
Incoming SIOR Vice President



with income-producing opportunities,” he relates. “The needs of young professionals are different, just as the needs of large market versus small market brokers differ, and the needs of independent brokers versus those of global firms differ.”

Thornburgh led the efforts to champion the second initiative, marketing and branding efforts. “Promoting the SIOR designation and the value SIORs bring to the marketplace is a critical mission for the organization,” says Hollander. As part of the multi-year planning process, SIOR launched a series of ambitious objectives focused on refreshing the organization’s look, feel and brand. “These are being complemented by a robust public relations effort led by key industry partners who have elevated the organization’s exposure.”

Del Markward, incoming president-elect of SIOR and president and CEO of the Markward Group, adds, “In the branding process, SIOR examined every aspect of the organization ranging from the logo, high-level messaging and communications, marketing deliverables, newsletters, social media, magazine content and member resources to new advertising campaigns. And, SIOR’s 75th anniversary presented a unique opportunity to not only honor the past but also begin the pivot towards the next 75 years—connecting the past to the future with a perfectly timed brand refresh and rollout.”

Another of the five strategic areas of focus is building an internal data-driven culture, including the ability to benchmark progress for improvements moving forward. Kasselmann said being a data-driven organization and taking advantage of the rapid digitization of everything is paramount to SIOR’s long-term viability and success.

“Remember, that was really the focus of going through such a strenuous and comprehensive strategic planning effort to begin with,” he points out. “We are harnessing the power of big data and turning it into small, actionable data. And we’re beginning to make real-time decisions using the power of real information in an effort to be data-driven. We’re taking a very customized approach to engagement using this data-driven culture and these strategic initiatives so that it’s not one-size-

fits-all. What works for a small broker in Portland is not going to be the same thing that works for a national accounts broker at a major firm like Newmark or Jones Lang LaSalle working in New York City or Chicago. What works for office isn’t what necessarily works for industrial. We’ve got to take that into account when we attempt to get a better level of engagement and measure the success by which we do it.”

Hollander says that early on, SIOR recognized the importance of measuring success and an effort is being made to establish a baseline of data to judge goal accomplishments against it.

“We’re also using this data-driven mindset to achieve a better level of engagement with our various types of members,” Kasselmann says. “And it’s not just member engagement. It’s self-measurement, performance metrics and measures. We have the ability to do that now, where we didn’t in the past, and we’re finding new and better ways to use that information with every passing day.”

Thornburgh points out the fact that SIOR maintains a committee solely focused on technology which speaks to this focus. Its function is to review, recommend and/or develop emerging tools, digital media and services to enhance member benefits and services, with a focus on thought leadership, disruption, data and the future of technology for the industry. Not ironically, Kasselmann was the initial chair of this tech committee.

“It takes just one creative idea to change our world—the same, of course, can be said for commercial real estate,” Thornburgh says. “Simple ideas can spark extraordinary change. In recent years, we have worked diligently to bring together creative thinkers from industry and academia with a goal of fast-tracking new possibilities in technology.”

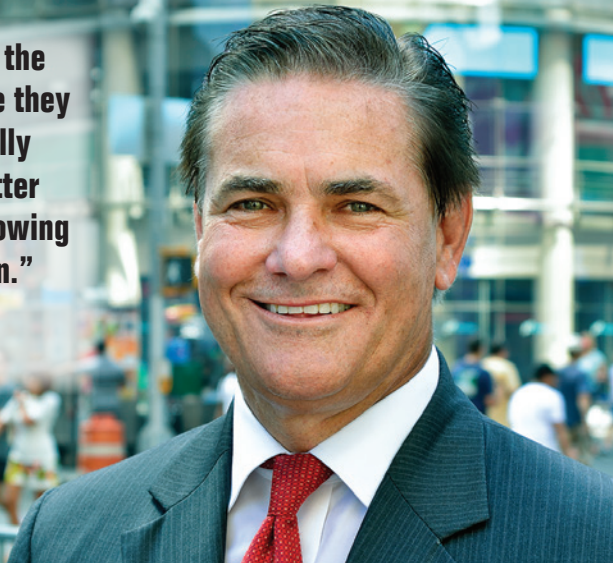
The fourth initiative for SIOR is generating industry-wide thought leadership. A significant emphasis is placed on this concept in an effort to position SIOR as value-add in the broader business community for the foreseeable future. This effort transcends firms, individuals, markets and asset classes, instead serving the greater interests of a broader business community.

“SIORs are, by definition, by evolution or both, thought leaders,” Kasselmann says. “They are the most accomplished, most ethical, most creative commercial real estate practitioners around the globe. But that thought leadership often accrues to each member individually and/or to the firms with whom they’re employed, rather than to SIOR. When the broader business community needs information pertaining to commercial real estate, we want one of the very first things they think of to be SIOR. But we have to give them the compelling content and thought leadership to earn that right.”

To that end, SIOR set a goal of engaging in thought-leadership activities through research and partnerships with other entities. Its joint research efforts with the Industrial Asset Management

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DEL MARKWARD
Incoming President-Elect



Council are an example of that collaboration. That partnership produced several white papers, including “Designing the Industrial Facility of the Future” and one on food processing. A third paper on pharmaceuticals is set to be released, with a fourth on distribution to come out next year.

Finally, bolstering SIOR chapter engagement is an initiative that SIOR is making a priority. According to Hollander, the goal is to engage chapters at a higher level to increase communication among not only chapters, but also members, leadership and staff, and to support chapter administrators to a greater extent. Del Markward concurs, adding the importance of providing member value within those chapters.

Markward says approximately 20% of the SIOR membership attends the annual world conferences. The focus with this initiative will be increasing member attendance for these conferences and engaging chapters to ensure all members are getting the full value out of SIOR through an adequate number of chapter events and supporting administration.

“Because SIOR is arguably the hardest designation to get in commercial real estate, it’s difficult to grow our ranks by large numbers in any given year,” Markward says. “But the more we engage the chapters and the more they have an outreach locally and regionally, the better chance we have of growing the organization as a whole.”

Within the first initiative of engaging members and tying into the founding mantra of serving the greater good, Kasselmann has a personal interest centered around member-driven charitable and philanthropic efforts. The concept is to be introduced to SIOR leadership at this fall’s world conference.

“SIOR as we know it today was formed during World War II to serve the greater good, and we continue to serve the greater good today, albeit in different ways perhaps than when we were

originally founded. So the idea behind member-driven charitable and philanthropic efforts is a means by which to continue to serve the greater good in a consistent manner with our original founding,” says Kasselmann. “We hope to set aside a designated day of the year where everybody in the organization is encouraged, but not mandated, to perform a charitable service of their choice, whether it’s a donation of time in volunteerism, whether it’s monetary in fundraising. All that we would ask is that we all perform that effort on a designated day of the year, and then we report in what we were able to accomplish individually and/or as chapters. Over time, we hope every single chapter

voluntarily opts in and accomplishes some form of philanthropy or charity of their choice. Because it’s the character of membership and it’s the character of community that we believe SIOR represents. We’re here for the industry. And our members embody that spirit as well.”

Another action item Kasselmann plans to pursue during his role as president is the creation of an independent advisory board made up of outside business interests with whom SIOR interacts on an ongoing basis. The goal would be to improve engagement, interface, outreach and brand extension with the broader business community on behalf of SIOR.

“Passion tends to be the starting point for success and SIOR has been fortunate to assemble a group of highly engaged leaders whose dedication to the organization is nothing less than extraordinary,” says Thornburgh. “They’ve demonstrated the willingness and desire to invest in the long term—capitalizing on new opportunities that match member and industry-related needs. I am not aware of another commercial real estate organization that works as hard as SIOR to offer an array of programs to benefit its collective membership. In the spirit of learning and adapting, great things can develop.”

In the end, Kasselmann says, the five outlined initiatives are the backbone of every action currently underway or in the proposal phase and within every dollar SIOR proposes to spend. It is only after asking if each undertaking checks all five boxes and fits within the constraints of budget and resources that SIOR will give it the green light.

“These five things really are what guide us for this year and the next two years. But within these five things, of course, are the tactical aspects that address each of these strategic opportunities,” says Kasselmann. “So it’s kind of exciting to be a part of a leadership team that’s now pivoting SIOR towards the next 75 years to the future.” ♦