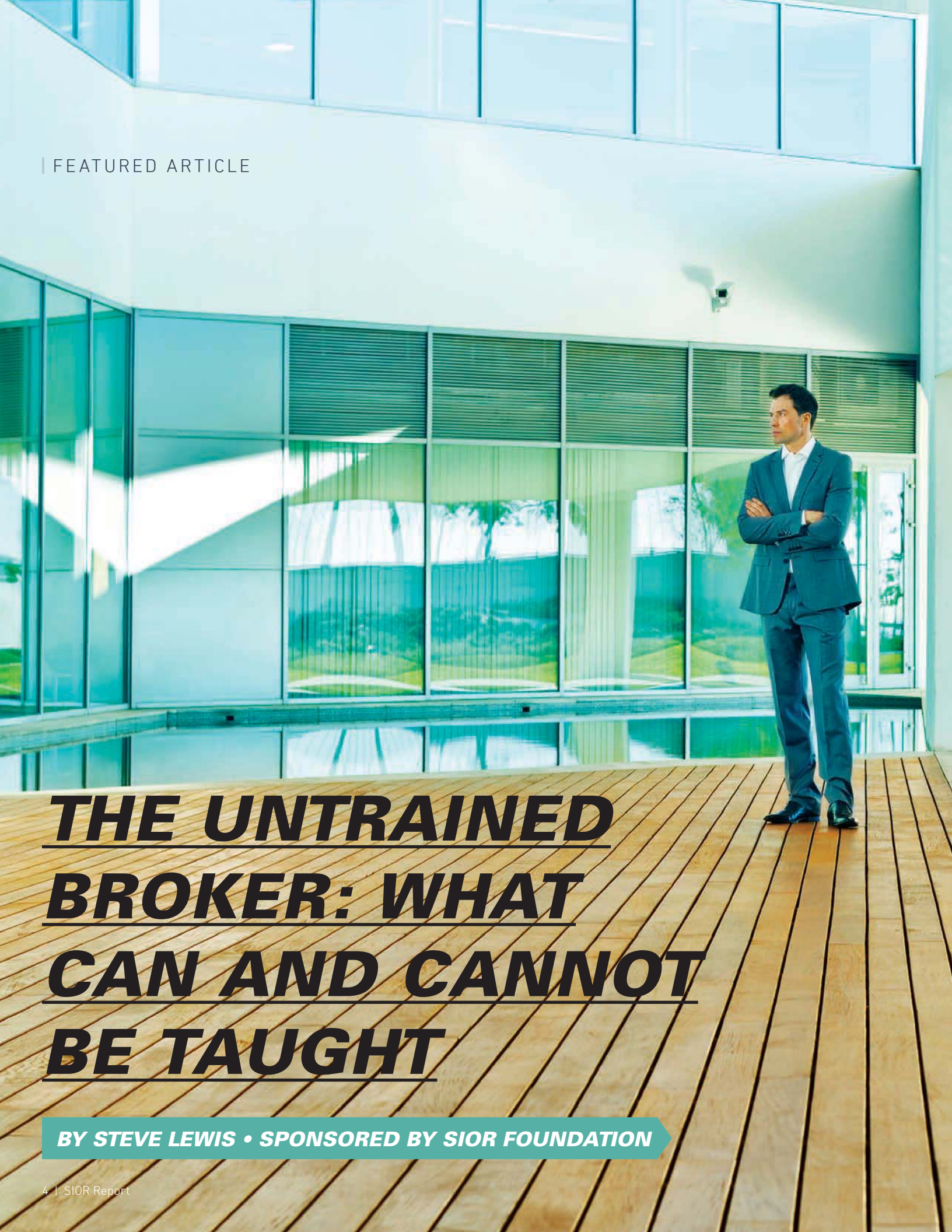


| FEATURED ARTICLE



THE UNTRAINED
BROKER: WHAT
CAN AND CANNOT
BE TAUGHT

BY STEVE LEWIS • SPONSORED BY SIOR FOUNDATION

Are successful commercial real estate brokers made or born? The answer may be “a little bit of both,” but one of the keys to successfully training inexperienced brokers is recognizing the difference and knowing what can and cannot be taught.

“The technical, specific skills can be learned, taught over time,” says Jacob Cowles, SIOR, managing partner, Landmark Advisory Services, Montreal. “Things that cannot necessarily be learned include the ability to absorb new information, their character and attitude – soft skills.”

“I think personality (qualitative) traits are hard, if not impossible, to train for; sales skills are easily trained,” adds Jim Smith, SIOR, first vice president, CBRE | Advisory & Transaction Services | Industrial & Logistics Specialist, Albuquerque, N.M. “In my mind the most key area to focus on is finding the prospect/client needs. Training is important, but an attitude of wanting to learn, on the part of the trainee, is also important. Probably another personality trait that would be tough to teach.”

In his role as chief sales officer at Eastern Consolidated in New York, Mark Schnurman is responsible for training and managing new brokers. In his article “How to Become a Successful New Broker,” he also recognizes the differential between what can and cannot be taught. “There are two factors that lead to a successful new broker: personality and platform,” he asserts.

Nonetheless, insists John Highman, commercial real estate broker and publisher of “Commercial Real Estate Online,” whatever the level of skills possessed by the new broker, they can have a significant impact on the

broker’s level of success. “Effort and actions get results,” says Highman. “The harder you work and in doing so refine your skills, the greater the opportunities you will find in commercial real estate brokerage.”

THERE ARE SOME “MUSTS”

While that may be true, SIORs believe that there are certain attributes and skills that must be brought to the table by new brokers in order to help lay the foundation for future success.

“One thing they should have and most don’t is common sense,” says Stan Kurzweil, SIOR, senior vice president, Weichert Commercial, Morris Plains, N.J. “They have to have a personality where they can relate to people and get along with people – that’s all part of common sense,” he says. “If their disposition is even tempered, if they have a sense of humor, they’ll have a much better chance succeeding at the end of the day.”

Greg Gunn, SIOR, senior vice president, Coldwell Banker Commercial Advisors, Salt Lake City, Utah, has a checklist of “musts”:

- They must have financial staying power. “It’s not unusual that a new agent with no background in real estate and/or sales could, the first year he/she is in the business, either make no money, or not even make enough money to cover his/her expenses,” he explains.
- They must have a burning desire to succeed.
- If he/she has a spouse or significant other, that person needs to be just as committed to survival as the new agent.

- They must be very thick-skinned.

Garry Holmes, SIOR, president of R.W. Holmes Realty, Wayland, Mass., adds the following “checklist” for important attributes:

- Confident and comfortable in a group setting.
- Persistence/tenacity – After the interview, they follow-up with a personal note and call rather than email you.
- Motivated – “What really impresses me is someone who took the initiative to take a couple of real estate courses after school and/or already has their license,” he says.
- Tech savvy/creative – “These are a must skill set, but not the easiest thing to determine during the interview process,” says Holmes.

Schnurman cites these skills:

- Ability to manage adversity.
- Confidence.
- Work smart.
- Relentless enthusiasm.
- Balance cooperation and competition.
- “Finally, while skilled, smart and talented, they do not take themselves or their success too seriously, recognizing that every day they either get better or worse; stasis is nonexistent,” says Schnurman. “Lastly, they never, ever, confuse their brains or ability for a bull market.”

“We want somebody who comes in to be service-oriented – not looking for the quickest path from A to B, but the correct path,” says Cowles. “They should definitely be likeable; technical skills come later. Also, the desire to learn, think critically, and problem-solve.”

"A solid work ethic is the critical ingredient for untrained brokers," says A. Scott Hensley, SIOR, principal, Piedmont Properties/CORFAC International, Charlotte, N.C. "CRE skills can be taught, but unless the individual has a strong work ethic and a hunger to succeed, then all the market knowledge and technical skills will not translate to success. Also important in evaluating young talent is their past successes, level of self-confidence, creativity and leadership. If a broker has demonstrated the ability to be in the top 20 percent of endeavors (prior job, sports, school, etc.), then it will likely translate to success in CRE."

YOU'VE GOT TO BE TAUGHT

Given that a "newbie" has demonstrated the necessary skills and traits important for success, what can they be taught – and how? "The CCIM institute is the best way for new brokers to learn the book skills including financial analysis, site analysis, marketing, etc.," says Hensley. "The people skills portion is more of an art than a science, and is best learned by shadowing a veteran broker, going on sales calls, listening to prospecting phone calls, etc."

Holmes says his company breaks training down into three areas:

- Transactional Competence – terminology and critical components of an RFP, LOI, financial analysis, P&S and a lease.
- Prospecting – traditional and non-traditional methods to securing clients.

- Market Knowledge – know the buildings, tenants, owners, and stats for your market.

"Training a new broker on these skills involves getting them into 'the trenches' immediately," he says. "They have to be actively involved in showings, responding to/drafting proposals, and actively involved in all negotiations. Once a deal has momentum, the natural tendency is to have the senior broker take over. It is very time consuming, but you must keep the new hire actively engaged in all aspects of the deal."

"Patience would be number one in my book," adds Gunn. "One has to look at this business as a career. In my experience, it can take anywhere from three to five years before a new agent finds his/her 'place.'"

Perseverance is also very high on the list, he says. "Never giving up takes an unusual person," Gunn notes. He adds that "Having a mentor and a good one, will increase a new agent's probability of success by as much as 200 percent."

"You REALLY need to know the fundamentals – what the process is for leasing space," says Kurzweil. "You also probably need to focus in one specialty first. In addition, they have to be educated. Some people are very streetwise, others got a formal education, but you have to have more well-rounded knowledge that can be used when talking to clients. You've got to know the fundamental skills in terms of technology."

Weichert, he continues, has an unusual training system. "We have maybe 15 hours of training, videos for another 30, and classes with instructors," he shares.

"Then we mentor them once they get to certain knowledge levels and pair them off with people where they both could benefit. That's unusual – a lot of firms just throw them in."

Kurzweil says he will canvas with the trainees. "I'll say, 'This is the way you try to do it – try to get to the decision-maker, try to convince the gatekeeper you're worthwhile for their boss to see.' Then I tell them, Google who the developers are in that area, what they own, and please come back to me, tell me who you looked up, what inventory they have, something about their property, so you have some familiarity and the guy will not know you're new in the business."

Cowles says technical skills are critical to learn – in client-specific areas such as financial skills, the ability to run an analysis and understand the net effect of rent, and being able to break that down and communicate it to the client. That includes the ability to understand how amortization works. "You'd be surprised how many people do not get that," he says. On the legal side, it includes understanding the basic provisions of a lease, and what they mean. When it comes to construction, he looks for a basic understanding of what it costs to build a new property and fit it out.

"Really the only way [to learn] is through doing," Cowles insists. "It's the 10,000-hour rule – if you do that you become an expert. We include them in much more complex files and projects – usually with me or another senior to follow along. Learning by doing is the most critical thing." In addition, he says, the firm has internal "Lunch & Learn" sessions. Once

"The information a broker learns today may be of little value in the immediate future, but capturing that market data or personal information on a prospect will pay dividends as they build their CRE career."

a month an attorney, for example, will come in and choose one provision of a lease and discuss what it means.

“Support and structure” are also critical, adds Schnurman. “Gone are the days when a Blue Book and a phone generated success – the market is too complex, its players too sophisticated,” he writes. “New brokers are not competing with other new brokers but with top brokers in New York City because they are the ones with the relationships.”

To maximize potential and create unlimited income, he continues, new brokers need both sales management and deal specific guidance. “They must structure their days, prioritize their time and learn valuations,” he says. “Brokerage is a business of information management and new brokers need to be taught what, how and when to share information and what not to share.”

Highman offers this plan to help new brokers get started:

- Determine the clients and properties that you would like to work on.
- Get the research done from the very start of your career and focus on both clients and properties.
- Make your prospecting and communication systems easy and natural.
- Get outdoors and get personal in your actions.
- Track your progress with a comprehensive and easy to use database program.

KEYS TO SUCCESS

What are the keys to success in training new brokers? “Screen them very well,” Gunn advises. “Tell them up front, they have one year to sink or swim – give them a time limit. Be there to answer all of their questions, no matter how frequently they ask them, or how naïve they are – and give them a lot of encouragement. Give them a realistic expectation before you hire them – what they can expect to experience ‘on average.’”

“Patience goes a long way, but be able to give them the tools they need to be trained, a system to be followed, and give them time,” adds Cowles.

Holmes cites these two keys to success:

- Dedicated mentor – “Without a dedicated team or mentor who can walk a new broker through the ups and downs, answer questions in real time, allow a new broker to shadow, and who can provide them with some projects to help grow the business, a new broker has little chance of succeeding,” he asserts.
- Set up to succeed – “There is work for them already in the queue. The new broker is part of a team for some listing assignments and/or tenant rep assignments. Not only do they handle showings on their own, but they are acclimated immediately with all facets of a transaction or assignment.”

Hensley concurs. “Having a veteran broker spend time with a new broker is usually critical to their success,” he says. “There are always exceptions, but why not learn from someone who has already made a lot of the mistakes that he/she can help the young broker avoid? There is no substitution for experience, so the more time a young broker spends with a senior broker, the more they will learn in a shorter period of time.”

He adds these words of caution: “Young brokers typically have good memories, and when they first start building their business they think they can do it with Outlook and pad and paper. This is a huge mistake, and every broker should implement a CRM immediately. The information a broker learns today may be of little value in the immediate future, but capturing that market data or personal information on a prospect will pay dividends as they build their CRE career. I have clients today that it took many years to build a rapport with, and if I were not periodically touching them, I would have never earned their business.” ▼



Promoting and sponsoring initiatives that educate, enhance, and expand the commercial real estate community. The SIOR Foundation is a 501 (c)(3) not-for-profit organization. All contributions are tax deductible to the extent of the law.

CONTRIBUTING SIOBS



Jacob Cowles,
SIOR



Garry Holmes,
SIOR



Gregory Gunn,
SIOR



Stan Kurzweil,
SIOR



Scott Hensley,
SIOR



Jim Smith,
SIOR