

Transcription of Jim Gillespie's November 2014 Million Dollar Commercial Real Estate Agent Inner Circle Teleseminar

"Keeping Your Clients Unbelievably Loyal to You"

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, "Keeping Your Clients Unbelievably Loyal to You," and here's what we're going to be doing this evening on our call.

I am going to be interviewing our special guest, Craig Coppola, and then after our interview we'll ask for your questions on anything you'd like to know to help you to take your commercial brokerage business to the next level.

In total we will be going for approximately one hour and thirty minutes tonight. With that being said, let me get into my introduction for Craig.

Craig Coppola is the top-producing office broker in the entire 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 18 times. He has been a 14 time finalist for the NAIOP Office Broker of the Year award, and he has won the award six times.

His clients include CIGNA, Morgan Stanley, Motorola, Pinnacle Bank, and U.S. Bank. He has written two books titled *How to Win in Commercial Real Estate Investing* and *The Art of Commercial Real Estate Leasing*, and the second book I just mentioned will be published on November 18th of this year.

In addition, he's 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 all together.

With all that being said, please join me in welcoming onto our call tonight Craig Coppola. Craig, thank you so much for being here.

Craig: Hey, Jim. Thanks for having me. I'm excited about the next 90 minutes.

Jim: I'm excited about it, too. I always get excited whenever these calls are coming up. The great legendary singer Tony Bennett, who I've had the pleasure of seeing sing six years ago – and what an amazingly gracious guy. I wasn't sure if we the audience were more thrilled to be

there hearing him sing or he was more thrilled that we were there as his audience. He's just a wonderfully gracious guy.

After all these years – and he's in his 80's – he says he still gets excited and/or nervous every time before he goes onstage, and the days of these calls I always feel the building up of excitement and following up on everything and getting ready.

I think if you don't have that excitement when you're going into a presentation it's probably not going to be as well received as you'd like it to be, so I think we're in the right place. This is good.

Craig: I agree with you 100%. This is a business where people know if you're engaged or not.

Jim: Yeah.

Craig: If you're not engaged, they can tell right away. I've said it all along. If you're ready to get out of the business, you had better get out tomorrow because the business will chew you up.

Jim: Actually, since we're talking about excitement, I just want to mention something from all of my studies in psychology and NLP. I remember learning years ago that the feelings of being nervous and the feelings of being excited are oftentimes very similar sensations. Oftentimes when you focus on what you're feeling – like if you think you're feeling nervous and you go, "No, I'm feeling excited," – that will really help you to present better than if you are feeling nervous.

The sensations are so similar to each other. Why don't you just say, "No, I'm not nervous. I'm excited. I'm excited about going into the room and making this presentation." That is a much more powerful place to be coming from than, "Oh my gosh. I'm nervous. I hope I do okay when I walk in the room."

Craig: And speaking in front of people. How many times have you heard a speaker say, "Bear with me; I'm nervous." Just change the word to 'excited' and you're there. I like it.

Jim: Yeah. If you focus on excited instead of nervous you're going to convince yourself that you're feeling excited and you'll probably do much better.

So since we're talking about client loyalty in this call, do you see a lot of commercial brokers doing a great job of keeping their clients loyal to them?

Craig: That's a really good question to start this with, and I think the answer is: It's really all over the board. We see clients with 20-year relationships, and then we'll see other tenants in the marketplace with their third broker.

I've done this now for 30 years, so I'll see a tenant who has had three or four different brokers in the time I've been in business. It's not something I can sit here and say, "Everybody is doing this

great,” or, “They’re not doing it as well.” As we get into tonight, we’ll talk about the difficulties of that.

I think it’s all over the board and it’s going to change depending on the client and change depending on the broker as well.

Jim: Why do you think that we still see so many brokers not doing a great job of producing great client loyalty and being able to work with people on multiple transactions over the years?

Craig: I think the short answer is: It’s a lot harder than you think it is. It’s really easy to sit there and say, “I’m going to develop this loyalty,” and it’s just harder to do.

You were talking in the introduction that I’ve done 3,500 transactions, and I’ve done a bunch of deals. I look at how many people I have that are clients. You’d think I’d have 1,000 clients of my 3,500 transactions that would absolutely go with me anywhere, and that’s just not the answer. People leave the businesses, the business changes – it grows, it shrinks. It’s really, really difficult to do this.

This is an under-discussed topic, and I don’t think people want to talk about it. People want to talk about, “Hey, I’ve got this great relationship,” but the reality is that it is really hard to create a loyal client, especially in our business because we do it once every five years.

I just did a transaction with a law firm, and I’ve had a 20-year relationship with them. I’ve done three deals in 20 years, and it’s really hard. Now I have 12 years left on the lease. I had breakfast with the guy this morning, but its 12 more years before they’re going to do a transaction. So how do I stay in front of them to do that?

Jim: Yeah, that’s amazing. There are so few brokers that would take the time to sit down and have breakfast with somebody 12 years out, which kind of leads me into the next question.

I see a lot of brokers closing transactions with their clients and then they drop out all communication with the client for years. What do you think they should be doing instead of dropping out all communication for a long period of time after closing a transaction with someone?

Craig: I think we have to be really honest on this interview tonight.

Jim: Why not! What the heck!

Craig: I had this great breakfast with a client of mine for 20 years – a very difficult client. I literally ten minutes ago got off a call with a company that I am an investor in. I’ve been an investor for 11 years, and their lease expired 30 days ago. Did I call them six months ago? I didn’t. So there’s the difficulty of it. I’m literally an owner of this company and I wasn’t on my own client’s list. I don’t know how it fell through the cracks, but it did.

Even here I'm saying to myself that I'm going to sit here and talk to you about client loyalty, and I'll tell you what we do and what we try to do and some of the things that I think people out there would want to hear, but it's very difficult to do. I think the first part of this is that you've got to have a plan. A plan of attack always works.

So how do we connect with them more ways than just a phone call? How do we connect with them more ways than just an email? We can talk about annual anniversary, notice dates, expense reviews, those kinds of things, but if you don't have a plan for each and every client that you do a transaction with – and that plan needs to be created when the transaction is completed – then I think you're not going to do a very good job of staying on top of them unless they just happen to be a buddy or you run into them, and that's not a plan at all.

Jim: First of all, I give you kudos for admitting that this deal fell through the cracks. I think it's great for people to hear, "Wow! Somebody at Craig's level in the business has something like that happen." It shows me that one of the best people in the business can let it happen because we've all done it, and it's horrible when you find out that they made a deal with somebody else and they got an offer in.

Just take it as a signal of: Wait a second. We've got to tighten up how we're going about doing this a little bit more so that this doesn't happen again because it's an expensive mistake when it happens, right?

Craig: This is not an invitation to pump you up, but I think coaching is very important because it focuses you back on the fundamentals, and the fundamentals in this case are client loyalty and creating a plan.

We work really, really hard on that. We do a tremendous amount of talking about it and setting up plans and reaching out to clients, but I can tell you in my career that the worst days of my career are when a client of mine shows up at a building with another broker. It happens, and it's insane. I'm like, "How does this happen?"

Jim: It's my feeling that when a broker closes a transaction with somebody – and you mentioned having that plan in place – just because they're not going to be doing something for three, five, or ten years doesn't mean that's time to drop out all communication because your competitors are going to be prospecting them within that period of time.

When it comes time three, five, or seven years later for them to do something, your competitors have been building that relationship while you've dropped it out. Oftentimes so many brokers have this feeling that, "Well, because I closed a transaction with that person that means they are going to be loyal to me and work with me on their next transaction." I don't think so.

You've got to cultivate the relationship. Prospect them like you would be prospecting your other people, even if it's just months after the transaction closes. Call them up and check in with them. Just say, "How are you doing? How is the building working out for you?"

Keep that relationship in place. You've got to create the feeling that you have an ongoing relationship in place with the person and you are always their broker, even though they may still be years away from doing their next transaction. It's like accountants and attorneys. The nature of their business with their clients is that they're going to be talking to them throughout the year about important things that they need to be doing for the client, not necessarily so with a commercial broker when the people may still be years away from their next transaction.

You've got to create that feeling like accountants and attorneys that you are their commercial real estate broker always, even though they may still be years away from their next transaction.

Craig: I think throughout the evening we should – and we do this internally – really break down the two different businesses here. One is the tenant rep business, and that is what you are talking about right now. We're talking about how we have a plan with our tenants.

On the landlord's side, it's a little bit different business because you should be having connection with them on a weekly basis so that you're trying to fill their building up. The relationship and the plan are two different plans.

Every time I do a business plan or a plan for any individual client of ours, we have a separate plan. One for our landlord side of the business and our plan for the tenant side of the business, and we do not mix the two.

Occasionally there is some crossover where we'll send out a generic article, but I can tell you that what we're doing with our landlords is completely different than what we try to do with our tenants because a tenant doesn't want you to call him every week for twelve years. The landlord wants you to be involved every week as long as you have the listing.

I want to make sure that we talk about those things as we talk about loyalty because loyalty is another thing on listings when you have to go out and pitch the next listing and the landlord says, "I know you did this last one for me, but I'm going to go interview three other brokers." I want to talk about how you go get that as well.

Jim: What you just brought up reminded me of something we should probably talk about at the same time. You were talking about staying in contact with the owner when you have a listing. So many brokers when they haven't produced any offers in a while want to stay away from the owner. They are concerned about calling the person because they haven't produced.

What should the broker be doing instead of trying to avoid the owner in that situation?

Craig: The one word I use, and I use it all the time with our guys, is educate. We are the leading edge of all the markets and we need to educate our clients on where the market is, where it's heading, and what is happening with it. And if the market is dead, it's dead.

We just went through the last six years where in 2009 and 2010 you couldn't lease any space. We would still have some brokers who would affectionately call our listing meetings 'dental appointments' because we're going to get our teeth pulled. For years we had these 'dentist

appointments' on Tuesday mornings. What do you talk about when you don't have any prospects? Well, you talk about the market. "Let me tell you what's going on, how we're going to do this, what's going on around us, what's going on in submarkets." We spend a lot of time educating our clients, and education leads to a better relationship which gives you loyalty because you're not hiding from them.

Jim: Yeah. And not only that, but when a broker is hoping to get their listing renewed and extended, if you've been dropping out communication about what's going on and avoiding the owner, the owner is probably going to think, "You know something? This means that they're not even thinking about my listing. They're not doing anything to market it. I've got these other brokers contacting me who maybe I'd want to go with. If I don't even hear from this listing broker, I just have to assume they've forgotten about my property so I'm not going to renew with them."

So if you're not producing any results or offers and you go into hiding and you don't contact your owner, you're almost – in many ways – sealing your death certificate in terms of not getting your listing renewed, okay?

Craig: Right, and you're not going to be able to make the deal when it happens because if you're doing your job on a listing basis you are educating along the way so that when the deal comes in the door that you need to make, you are ready to make that deal and the landlord is ready to make that deal because you've been educating them along the way.

If you think the rate is \$20 and he thinks it's \$24 and you haven't taken the last six months to show him what the \$20 rate is, then of course then you have to sell him at that point.

We spend a lot of time educating upfront before there is a transaction, before there is an ABC tenant, and here's what we're going to see. Then we keep reinforcing that education so that when the deal comes in the door they know they've got to make this deal and make sure that we're in the parameters that we're talking about.

Jim: What are some of the things that you do with your clients to help inspire loyalty from them to you?

Craig: I think you hit it with your answer when you said to create the feeling of a relationship. We actually want a relationship. I know you mean that when you say that. It's like we want them to know.

We've always said – and I say this to my clients and I say it to our team – it's not a deal; it's a relationship. It's really gratifying today after 30 years in this business to have some clients that I started doing business with my first or second year in the business who we are still doing deals with.

We just did a transaction with California Casualty, and I think this is our fourth or fifth transaction of the same space. They only have one office here in Arizona. You know, when you do three ten-year deals with the same client but different real estate directors. One of the real

estate directors with California Casualty passed away, and those relationships mean a lot. It drives how we think, it drives how we act. We take the call and we work the issue if there is an issue with escalations or whatever it is. We try to really develop a true relationship with them, and we make sure that they know that we do it.

What does that mean to somebody else? How do we get down to it? We try to make them money if they are an accounting firm or a law firm. We will give them referrals. We will take them to events. We will do some of the things that everybody else does. We send them the market scoop obviously, and comps. We will run deals by them. We will talk about a competitor that might have done a deal.

This afternoon we just did a furniture company and there was a cool space which was another space that wasn't theirs. I just sent it out to them. I am constantly in contact and thinking of my clients, and having them know that I'm thinking about them.

Jim: That's great. That's exactly the way that it should be.

With this in mind in talking about client loyalty, do you think that if brokers really put their mind to it that they could implement a system of follow-up with their clients after their transactions have closed with them that really successfully position themselves to get more future business with the same client?

Craig: I think it's mandatory. I think if your goal as a broker is to make it in our business or to be a top broker, you have to have repeat business. If you don't, if you're just chasing transactions, you're not going to make it. It's really hard as it is. It's harder when you don't have repeat business. If you don't have it, you won't be a successful broker.

When I'm talking successful broker, we're talking million-dollar a year guys who are out there year after year. That is repeat business.

I'll tell you, Jim. This is a little bit off topic but I think people would be interested in it. My definition of success when I first started in the business in 1983-1984 with Grubb & Ellis, we had a guy named Peter Nelson. Back in the 80's a million-dollar producer was a really rare thing.

When Peter Nelson came in the land market got hot and Peter had a million-dollar year. I was a young guy. I think I was a runner or maybe my first year in the business making \$30,000.

I watched Peter make his million and then within 24 months he was out of the business. At that point in my career – which was really new in the business, and this was long before I made any money at all – I sat down and said, "What is my definition of success and legacy within this business?"

What I determined at that point was that everybody wants to have the million-dollar year, but mine was that I wanted to be able to do it for a decade. If I could do it for a decade – ten years in a row – and make a million dollars a year in my market in Phoenix, Arizona, to me that would be the successful career.

Then I set out to do it. When you set that in your mind, then you go, "Okay. Well, to do that what do I have to do?"

The first thing I have to do is have a load of clients, and I have to have repeat business, and then I have to have really good relationships so that they will refer me and they will retain me on. When you talk about client loyalty, I view it as: This is the only way that I'm going to be able to be successful as my definition is.

Jim: I remember when you talked about definition of success, I remembered Tony Robbins' talk years ago. He said that one time he was in a room with a bunch of people and they were all sitting in a circle. They were going around the circle asking everybody individually if they felt they were successful and then asking them what their definition of success was.

He said that they had a wide range of people there from normal people to top corporate CEO's. He said that two guys in a row, one was a very well-known company's CEO and he was asked if he was successful. He said, "No."

Tony Robbins said, "Why not? What is your definition of success?"

He said, "Well, I'm making \$6 million a year. If I was successful I'd be making \$8 million a year."

So then he goes to the next guy who's kind of a wild, free-spirited guy. He said, "Are you successful?"

He said, "Hell yeah!"

Tony said, "What is your definition of success?"

He said, "Any day I wake up and I'm not underground I'm successful."

Everybody has got their own definition. You've got to go with what works for you, but absolutely. I think what you're saying is right on here.

Craig: You are absolutely right though, Jim. What my definition of success is is purely personal. It's what drove me to build the systems and create the client relationships and the loyalty for what I wanted.

If you're a New York broker, the million-dollar year is not as big of a deal. In our market it was a pretty big deal. You have to look at where you are and what you want to do. Now, especially with the millennials, they aren't as motivated – most of them – to put the time in that we did when we were young or that I still do now, whatever it is. They are looking for a little different bent on it. Success to them might be a little bit different than what success is to me.

Jim: You were talking about the New York market. I was talking to a long-time broker there. He said, "In the Manhattan market, as far as I'm concerned, if you're making \$300,000 a year you're living at the poverty level."

Craig: Right. There you go. In our New York office they do a 10,000 square foot deal and they're making tons of money. We're like, "Wow!"

Jim: Yeah, and I've heard whenever you want to open up an office in Manhattan, figure at least double what it would cost you in almost any other major city in the world.

Craig: That's exactly right. We raised our capital to open our New York office. I think it was three times more than we had raised for any other office that we opened up. Yeah, at least three times.

Jim: There you go. So it's my feeling that doing constant prospecting along with doing what will generate constant repeat business from your clients would be a great combination, and I wanted to ask you what you think about that.

Craig: We've talked about it being hard. I had this notion when I was young that if I worked really, really hard for the first five or ten years that I'd just be able to live on referrals for the rest of my career.

Jim: You mean it didn't pan out that way?

Craig: No, no. It's shocking how it didn't! I take solace in the fact that my life insurance guy – Jerry is probably 73 years old – still literally makes 40 cold calls a day. He's still in the business. He doesn't need the money, but that's just part of it.

I think if there are any young brokers out there – or any old brokers out there – we're still prospecting a ton. We have to do it. It is something that you have to do. You have to get new business.

Now we have 50% of our tenant side business as referral and 90% of our landlord side business is existing clients, but tenants change and corporate real estate directors change. It's very hard to consistently have the same client for a long period of time, so you have to be out there prospecting all the time.

Jim: Sure. I was talking to a veteran broker once years ago. He's a solid producer. I said, "So are you still prospecting after 35 years in the business?"

He said, "Absolutely."

I said, "So, a lot of brokers have this impression that they only need to prospect for a certain amount of time in their career and then they can stop. In your opinion, when can a commercial broker stop prospecting?"

He said, "When he's dead and six feet underground."

Craig: That's right. Perfect. It's exactly right.

Jim: It's an illusion.

Craig: It is an illusion.

Jim: I tell people that even when they are prospecting their past clients, to me that is great prospecting – to keep that relationship in place and see if maybe they do have an opportunity coming up. If not, it's a great time to talk to them about referrals. Who do they know that they can introduce you to who you could call who may be looking to do something?

Craig: It's interesting that you bring that up because I remember maybe five to ten years into the business I did a survey. At that time I was probably doing 80-100 transactions a year myself. I didn't have a big team like I do now.

I went back to 200-300 clients and I tracked the deal. I did a one-year deal, a three-year deal, a five-year deal, or a ten-year deal – whatever it was. I think there was some crazy number like 70% of the tenants had made a deal before their lease had expired or they had grown and they had extended their lease or they had gone out of business or their business had changed so they moved from one suite to another suite.

If you tuck it in and say, "I just did a five-year deal. I don't have to call them for four years," some crazy number of your tenants will have said, "We've already done something. We've already moved, we've already expanded, or we've already exercised our right." That's why you've got to stay in touch with them and you have to have a relationship with them when you can talk to them, not just lock the call into them.

Jim: Things can change, right?

Craig: They do. They do overnight.

Jim: I mean, they move into a new space. They sign a lease. Then they say, "Wow! We're expanding. That's why we moved into the new space. We really hope we'll be able to expand some more." Then several years into the lease they might actually have a need to expand more. If you're not there, assuming they still have five years left on the lease, you're going to be out and one of your competitors is going to make the deal.

Craig: Yup. That's exactly right.

Jim: You can't make that assumption. Plus, if you want to build long-term relationships and repeat business from people and get referrals, you need to be contacting them and staying in relationship with them anyway. You should be making the phone calls. Consider it prospecting when you're staying in relationship with your people, calling them and asking them for referrals at the same time, too.

Craig: Correct.

Jim: It's very important. I think a lot of people, Craig, get into the business. They're brand new and they don't have any prospects. So what do they do? They get on the phone or they knock on doors and they prospect. They start closing transactions, and they've already put inside of themselves this mode of behavior of, "In order to find new business, I just have to keep prospecting new people who I've never closed transactions with before." If they don't watch it, it's easy to drop out the building relationship with the past clients part while they keep bird-dogging new people they've never worked with.

After you start closing some transactions, you've got to start thinking client retention, client loyalty, long-term business, repeat business, getting referrals from these people, and another part of your brain has got to open up and say, "What is the game plan I've got to put in place along with my prospecting and hustling and finding the new people to get repeat business and referrals from these past clients?"

Craig: We – and I've changed it and we're changing it again for next year based on the call with the Jones Lang broker – on our team, we have to make at least 20 calls a week to past clients or influencers. That's 80 calls a month that they are making to people who we've done business with or who have referred us business.

Jim: There you go.

Craig: And the new thing that I added – because I learned it from your last interview – was we are going to go after the stick. They are going to write checks if they don't get those calls done. You spent a bunch of time talking about carrot and stick, and I've been trying to do the carrot thing. Thank you very much. I learned from that, and we're changing it to the stick.

Jim: I have a theory that oftentimes a blowtorch under the rear end is more effective than a carrot on a stick.

Craig: That's right. We're using the blowtorch starting soon. We've got approval.

Jim: The fear of loss of somebody taking \$10 out of your pocket is much more compelling than a carrot on a stick of earning \$100 more.

Craig: Yeah, that's right. Exactly.

Jim: That's good. Alright. So if you were to come up with a list of the kinds of things that commercial brokers could be doing to really inspire more client loyalty, tell us what you think some of the things would be that would be included on that list.

Craig: Let's first talk about how you create the list. I have found, because people change, that you have to have a broad base relationship. What I mean by that is if Jim Gillespie owns his company, we need to know who Jim Gillespie's right-hand person is, we need to know who his

assistant is, and we need to know who his Vice President of Finance is so that we try to get at least two to four people in every company that we broaden our relationship with.

The first thing is: Our client is not one person. As you know, there are multiple decision-makers and there are multiple influencers in every company. I'm not talking about just the CIGNA's and Motorola's of the world. I am literally talking about a local mom and pop operation. If it is mom and pop, you want to know the mother and the father as well, and you want to know them very well. So we want to make our relationship a little bit more broad based.

Secondly, we want to give them information that they aren't getting from other people. It's easy to say and hard to do. What do I mean by that? We want to give them exclusive information. If there is another transaction done in the building that we know about, we'll let them know.

For example, I moved this financial services company into a building a year ago or eighteen months ago. We did a \$22 deal. We just moved another tenant into the building and it was \$24. We're trying to do a third deal in there and it's \$28.

Every time we see a new transaction in that building, I call that client and let him know, "Look, you are now saving \$40,000-\$50,000 a year because we locked in your rate." We're giving them information and they're feeling really good about it.

We call them and let them know, "We're just calling to update you. We don't want anything. We're just letting you know."

We don't call and say, "How's it going?" We want to call them with information and let them know that we're thinking about them.

I think one of the worst calls we can make is, "Hey, I'm just checking in with you," because that client is not thinking about real estate all the time. You might get lucky every now and then, but they are thinking about their business. Is it profitable? Is it changing?

I'll give you another example that is outside the financial spectrum. The big talk now is 78% of all tenants are now doing open space environments. Well, that whole open space environment is changing as well. It's not the cubicle business anymore. They have 'benching' now and they have open ceiling plans and they have electrical changes because everybody has got dual monitors on their desks.

We will spend some time educating them as things are changing to make sure that they're up to speed on that as well. We're trying to give them exclusive information, we're trying to broad base it out, and the third thing that we try to do is connect them. We try to introduce them to people. What kind of business are they in, and can we introduce them potentially to another kind of business that they can do work with or reach out and actually grow their business? We try to think of how we can make it be profitable and make them more profitable.

Jim: That's good. Absolutely. If you can come up with something, I tell people that when they're doing their prospecting, if you think about it ahead of time and plan it, what could you provide the prospects that you're calling to really get their attention on the phone?

I'd say that one of the most important goals that you can accomplish in prospecting is to get the person on the other end of the phone interested in inviting you in for a conversation to hear what you have to say rather than being at that moment in time where you kind of feel they wish that they had never taken the call basically.

If you could call them up and say, "Mr. Owner, there is a building that has just come up on the market for sale near yours that I think would give you an outstanding idea of what your property is worth in today's market. Would you like to hear about it?" Give them something with the 'what's in it for me'.

So many owners want to know what's going on and what that now means about the value of their property. Something like that has a better probability of having them say, "Tell me about the building," as opposed to you just calling and wanting to get the information on whether they've got a lease coming up and you might want to try to list it or something like that.

Craig: Here's a great real world example. We sold a client a building a year ago. In April of this year I called them. There was a building next door that was available. I called my client and said, "Hey, your building next door is still available. I think we ought to start talking to them and get involved in this transaction."

He called me back and said, "You know, I'm just not quite ready. I might be selling my business." This was in April.

In June, he calls me and says, "Okay. I'm ready to talk now." Guess what? The building's in escrow.

If I hadn't called him in April – 60 days before – the relationship would have been on the edge. "Why didn't you keep me posted? This is your job," and those kinds of things. But because I had a full track record in April – almost covering my butt. It wasn't necessarily that I wasn't developing. I was just trying to keep him in the loop. Now it paid out that I retained a relationship. Even though he's not getting a building and he lost it, he knows that I was still looking out for him. He missed it and he wasn't ready for it.

It happens a lot. It happens a lot more than you think where I have kept the relationship because I just happened to be proactive and trying to keep them in the loop on expansions in space and what is going on. "Here is exclusive information." That is something we don't talk about, but that is something you want to make sure that you have in your arsenal.

It's like, "Hey, I'm on this. You didn't get it, but we were on it in April. In June you didn't get the building."

Jim: Do you have any recommendations about socializing or going to lunch with your clients and prospects?

Craig: You know, it's interesting: When I first started I did everything. I think it's cultural across the country. I was in Philadelphia last week and we were out with a client. It was like 20 years ago for me. We went out, they wanted to drink, they wanted to socialize.

In our world out here in the western United States, I used to do it and then I stopped doing it completely. Now I'm starting to come back. So I've gone full circle.

Early in the career I did it all and I was out all the time taking clients out. I needed that. I didn't have the resume. Then I went on a ten-year period where I actually told people, "I don't do lunch." They would call and say, "Do you want to go to lunch?" I would just tell them that I don't.

I just finished this great book called *Never Eat Alone*. I think we've started doing that again because my pendulum swung too far to the right.

Now don't think that a lunch gives you a relationship. A lunch doesn't do that. It gives you a chance to spend time with somebody and develop a relationship. Really we have to define what a relationship means. It means that the client is going to hire you when they have a requirement or they hire you when they have a listing. That's what a relationship means. It doesn't mean – and we have some of these – where they're best friends with you and then they show up and they've listed the property or they've done a deal with somebody else.

We're trying to develop a relationship so that when they have a requirement we get hired. I think we sometimes want to be more friends than we do the relationship being a business partner. I would caution you on golf outings, cocktail parties, going to dinner, developing this relationship that you think and then he shows up with another broker who has just done a better job than you.

Jim: Yeah. Absolutely. You talked about in the early days how you were doing socializing. I think at that time, based upon where your career was, you probably recognized that there was good value in doing this with the people who you wanted to establish that kind of relationship with, right?

Craig: Yes. I had East Coast clients coming out and that's what they wanted to do. Now I have a couple of young guys on my team and that's their job now. I'm 53 now and I'm not doing that anymore. I have kids and I've raised a family, so I spend less time doing that. But I can tell you that all of this works if you have the goal in mind that, "I'm developing a business relationship," not, "I'm trying to develop a relationship where these are my pals."

It's a relationship where they understand that this is a value-added relationship, value-added meaning you trust me, you like me, and you want to do business with me – not that you just want to hang out with me and go party with me.

Jim: That's a very interesting distinction. That's good. That's a very strong and powerful definition of relationship because what you're talking about is relationship in the context of: this means I'm going to be working with them on their next transaction and ideally transactions beyond that, too.

Craig: I was just talking to one of my partners, and they just got a listing in a building. They put their sign up, and I know the guy who owns the building really well. I've actually been talking to him. I thought – at least in our own shop – I'd be the guy to get the listing.

They put it up and I was with another broker the other day who let it be known that he had been personal friends with this owner, had done lots of stuff with him, had traveled with him and everything, and he didn't get the listing. He was so angry. He said, "I'm never talking to this guy again.

In my mind I was thinking, "You know what? He developed a personal relationship; he didn't develop a relationship that said 'I want to do business with you.'"

I've got lots of people I can hang out with who are friends, but when I'm out with clients I'm talking about developing a business relationship. Of course they want to like me and they want to do business with me, but at the end of the day they want to know that I'm a professional and that I'm going to do a better job than the next guy. That's always in the back of my mind with my clients.

Jim: You just reminded me of a story from years ago. A guy in my territory, he was a very well-known, successful broker. His dad saw a sign on a building and he called up and talked to the listing broker and made a deal directly with the listing broker. The son is going, "Dad, I'm your son. You didn't call me to follow up on the building and get involved in the transaction?"

There is no loyalty.

Craig: Right. It's crazy, isn't it?

Jim: Yeah.

Craig: You know, in our business, on the commercial side, it's just 10% of what it is in the residential side. The residential side is horrible because there's always a cousin or an aunt or a friend who has a license.

If I were to sell my house, I know who I would hire, but I also know five other brokers who think that I would hire them because I have a personal relationship with them. That's not what you want. I want to hire the person who is going to sell my house or sell my building, do it at the highest price, and the most efficient use of my time and in the shortest period of time. On the tenant side, I'm going to hire the broker who is going to represent me and get me the best transaction with the fewest amount of hours of my time and in the most efficient manner.

That's what we're looking for – that kind of relationship.

Jim: Do you do any kind of gift giving to your clients at all?

Craig: We do a ton of it, and we do it in a different way. I think you're getting my weekly e-gift, right?

Jim: Yes.

Craig: We have a weekly narrative that we give that we're trying to provide. If somebody wants to add in outside of my market, we'll add brokers. We have a number of 4,000-5,000 brokers get our e-gift each week outside of our market.

Jim: Tell them how they would do that.

Craig: The best way to do that would be to email me directly at CCoppola@LeeArizona.com and I will send it to our team who puts it on. We'll get you on our list and then weekly you get an email from us. We've gotten good feedback from it.

We do that. We also, obviously, during the holidays have a gift. We're already done with our gifts. We're ahead of the game. We've got a great gift for our clients, and I just looked at our list and just under 100 people get it. We also finally want to make sure that everybody knows – because you probably get the same amount. I get 100 a year non-personal holiday cards. It drives me insane.

We personally sign and put a personal note to every single client that in addition to our gift we send a card to them. We travel quite a bit – I'm a big world traveler – so our cards are personal cards. I just climbed Mount Kilimanjaro a month ago, so on the cover of our holiday card this year is a picture of Mount Kilimanjaro from base camp, which really turned out pretty cool. Then inside we'll put a holiday message and we'll handwrite a note.

We have to get our cards out early because I'm writing a couple of hundred notes a year and I'm putting something on there, so it takes me a little bit of time to do that.

Jim: Sure. I always tell brokers that I love the idea of gift giving, and I say that under ideal circumstances I would recommend doing it two to four times a year because if you do it right and it's heartfelt and they are still years away from their next transaction, it's the kind of thing that can help to build the kind of bond that you hope is going to lead to repeat business. It's not going to guarantee it, but I think that when people are getting gifts from you regularly – say at least two to four times a year – that having happened for several years, I just think that makes it a little bit more difficult for the client to work with one of your competitors as opposed to that glue not being in place from giving those kinds of gifts as well as calling them and following up with them, too.

Craig: I was going to tell you that one of my partner's sons bought a building in La Jolla. It wasn't our company. Another company bought a beerator. It was one of those keg taps and they

put a keg in it and they delivered it to his building. I thought, "What a great gift!" That's something that's memorable.

We like to do things that are memorable for our clients and do that kind of thing, but that to me was a pretty outstanding gift. All they had done was just sold them a building. It wasn't like some \$50 million building. It was a 20,000 square foot tilt-up building in Carlsbad, California. I thought that was a pretty cool gift.

The gifts have to be thoughtful.

Jim: There's a guy who I've coached and who I've interviewed, and he's interviewed me, too, in the past. A couple of gifts that he gives that I like – and actually this first one I received from him because I helped him to close a major transaction with a \$425,000 commission which I actually talked about with him last month.

One of the gifts that he gives people is live Maine lobster where the lobster arrived live.

Craig: Yup.

Jim: He said it's just such an impact gift. The other one is basically sending a tailor out to the person and fitting them for a custom-fitted shirt basically.

They get the idea and the feeling of this royal treatment where they're getting measured and looking at all the fabric in the conference room in the office and everything like that. Then every time they wear the shirt, they are going to be thinking of him because he's the one who gifted it to him.

Craig: In our market Opus – and they're coming back to our market – dominated this. We had listings with Opus when we started Lee & Associates in Arizona in 1991. Opus was our first client in the office. They gave us our first high rise listing.

If you did a transaction with Opus, they gave you the Allen Edmonds' book, the shoe book, and every year you got a pair of shoes. I literally have 20 pairs of Allen Edmond dress shoes because 20 years in a row I did a deal with Opus, and every year I would get that.

I can tell you that every time I put those shoes on, here I am with Opus being out of our market for five years, and still every time I put those shoes on I still think about them.

Jim: There you go.

Craig: What a great gift!

Jim: And if you can give a gift that basically has people continually seeing it and thinking of you, that's a great thing.

Craig: Yeah, and this guy in Carlsbad drinks beer every day, and he'll be thinking about those brokers.

Jim: There you go. He'll be calling them if he needs another one.

Craig: That's right!

Jim: What are your thoughts on brokers working as a team nowadays as opposed to working as solo individual brokers when they are trying to go after more new business?

Craig: Well, the business has changed. In 1983 when I started we were all individuals. The team started occurring 15-20 years ago. Today I think it's just almost impossible to survive in a big market or in a substantial market if you are a solo player.

I think you can still do it in smaller markets when you're having to do office, industrial, retail, or you can create your own niche. I know a couple of brokers in smaller markets who just dominate the market because they are really good brokers and it's a small market.

But if you're in a market the size of ours with 100 million square feet of office space, you need to have a team and the team needs to be varied and across the board. It can't be a rugged individualist anymore. It's very difficult to do because the amount of service that you give clients now and the amount of requirements that they put on all listings and all tenant requirements now, you just can't do it yourself anymore.

That makes it really difficult because you are now teaming with people. If you break up with your team or it doesn't work out, it makes it very difficult.

I was one of the last guys to create a bigger team, and part of the reason is that it's just really hard to find somebody who has the same drive that you do, the same goals that you do, and the same kind of traits that you want that will propel your team forward. It's really hard to do.

Jim: With that in mind, tell us who is on your team and what their individual job responsibilities are.

Craig: Well, we have three brokers. That's me, 30 plus years in the business, my partner Andrew Cheney who has now been with me for 12 years. He started out as one of my runners and just stayed with me. He's the first one to do that, and he's been with me for 12 years. We just added Gregg Kafka. He's been in the business 10 years and he's been with us for three years. He started out as a runner, came over and started running with us. He's stayed on. Then we have a full-time runner. He's my 9th runner. Our runner program, Jim, is two and a half years. We keep them and train them up for a long period of time. They don't make a lot of money and they work a lot of hours. Michael just started now with us for 90 days.

We have three guys who are out doing transactions. We have two interns that we have who are college seniors. They started with us this summer and I've kept them on with us. They're doing a bunch of calls and some data input. Then we have two full-time assistants. We have a Director of

Operations and then a Director of Social Media and all media for us. They do all of our project management and social media.

That's just on our team. That's the staff that I pay for and our partners pay for out of our pocket. That's just our individual team.

Then we have secretarial and research support that Lee & Associates provides, but that other team is completely 100% paid out of our pocket.

Jim: So the total number of people specifically on your team is how many people?

Craig: Three, four, five, six, seven, eight. A total of eight. Six are really full-time and two are interns. Six people: three brokers, three staff.

We've talked about adding another backstage person but we just haven't done that. I also have some outsource stuff that is on my team. I have a bookkeeper who has worked for me for 20 years. I have a financial analyst who has moonlighted for me for 15 years. We have all sorts of those, but full-time it's six people.

Jim: We talked a little bit about prospecting before. I find that most brokers really rely on prospecting to generate more new business for themselves, yet so many brokers aren't getting their prospecting done. I wondered if you have any recommendations on how brokers can make sure that they're getting their prospecting done.

Craig: No. I wish I did. The stick. I learned it from you. Our guys work 60 hours a week. We have a culture of working. Our guys work 60 hours a week and that's just the culture of our team. If I can get them to give us 10% of their time, six hours of prospecting, I'd be ecstatic.

That's why we're implementing the stick. They're going to write checks if they don't get it done because the business has changed. I've been the rainmaker for so long and we're trying to change that culture so that we spread the rainmaking capabilities. If they're not out doing it, they're just not going to get it done.

I wish I had more other than to tell you that we have really good technology systems and we're making it really easy for the brokers to make their calls. We give them their call sheet every week. In fact, what we're doing now is we're giving them calls for the month upfront. All they have to do is write on it. They don't have to do any data input. All they have to do is make the calls. The rest of the team is creating the call sheet, they're creating the calls that they're going to do so they don't have to do anything else other than call that client.

We're trying to make it really easy to do it. We're also scheduling time Monday morning in their time. From 8:00 to 11:00 on Monday morning is their time that they can schedule over to make their calls for the week. Then we have a second back-up time that is usually Wednesday afternoon, so if they didn't get all their calls done on Monday or if something came up, they have Wednesday to get those done. Those are two times in their schedule that we're putting in.

We're trying all sorts of things to get it done. It's very difficult, and I can't tell you that we're doing a great job of it.

Jim: Well, welcome to brokerage.

Craig: Yes. That's why you make all the money that you do because people need to have a coach to tell them, "Here's what I need you to do this week."

Jim: Something that I recommend to brokers ideally is to schedule the same prospecting days and hours every single week and block it out of your contact management system for the entire year.

Let's say you want to prospect 12 hours a week. You go Monday, Tuesday, Wednesday, and Thursday from 9:00 to noon, or whatever it is. You block it out like it's already a preexisting appointment. I really recommend that brokers prospect in the morning because if they leave it until the afternoon, starting at 1:00 or 2:00, their mind can start thinking about all these other things that need to get done by 5:00 or 6:00 whereas if they complete the prospecting by 11:00am or noon, they still have the rest of the day going on.

If they can get in that groove that these times are always my prospecting time, and then if somebody says, "Can you do this?" or, "Can you meet at 11:00 on Tuesday?" you can say, "I have something else going on at that time. Can we do it at 2:00 or 3:00 instead?"

I tell brokers that if you ever think that you have to abandon your prospecting in the moment to do something else, ask yourself the following question: If I had a listing appointment right now to go out and present on a \$4 million listing, would I call the owner up and say, "I'm sorry. I can't make it. Something else has come up. I've got to do this instead."

If your answer to that question is no, then you have the time to do your prospecting.

Craig: That's right. I think you're absolutely right. We've talked about putting these on the schedule, and the second tip is that you've got to turn your screen off. You've got to turn your cell phone off and you have got to turn your screens off on your desk because we get driven by the buzz on our cell phones.

Tonight I turned my screens off because I want to be completely focused on what I'm talking with you about.

Jim: I appreciate that.

Craig: I think that's the same thing that we want with prospecting, right?

Jim: Yeah.

Craig: We don't want our screen on. I can tell you that literally ten minutes before I was talking to you I was on two phone calls, doing emails, and texting my daughter. I had all sorts of things going on, but that doesn't work when you're prospecting. You've got to have it.

In addition to blocking out your time, you want to have those calls ready. Our guys get their calls. Let's say they have their 20 mandatory calls, which is past clients and influencers. Those 20 calls a week we were giving to them weekly. Now we're saying, "Hey, we're going to give you all 80 calls before the month starts. You can do all 80 if you want the first week, but we're going to also plug into your calendars so that you guys can't override it those times on Monday morning first thing to get them done."

Jim: Yeah. Absolutely. You've got to not take incoming calls during your prospecting time. Have all incoming calls go to voicemail. Don't be looking at your cell phone. Turn it off.

There was one broker I've coached who was having so much trouble with distractions in the office taking him off track that I finally said, "Look, when you're leaving home in the morning, drive to a place in between your home and the office where you'd like to park the car, maybe with a nice view." He does that and makes his calls on his cell phone so those distractions don't happen.

Sometimes I tell people, "Look, if you've got an office at the main office where you work, close the door. Lock it. Put a sign on there saying, "Busy until 11:00am," or, "Prospecting until 11:00am. Do not disturb." People will get the message basically.

You've got to set up those conditions to make it happen.

Craig: That's exactly where I'm at. In my house I have a separate home office. My home office is separate. You can't come into my office without coming out of the house. I'm not doing this call – and I don't do any of my calls – from my desk at Lee & Associates because we're in a cube. My entire team sits all together in a cube. So I'm here because this is where it's quiet and I can focus. I think everybody else does that, too.

I think your idea of making the calls from a car or somewhere where you're not going to be distracted is incredibly important.

Let me give you another thing, too. Jim, any time you have these stick and carrot issues and we want to do our 20 calls a week, one of my partners didn't get his calls done. Saturday morning he rolled in and he made 40 calls on Saturday morning. Well that's not a prospecting call. That's 39 voice messages that people aren't going to call you back on.

You have to be realistic and be honest with yourself. That's not a prospecting call; that's just you trying to get your numbers.

We want to make sure that it's during normal business hours if you want a shot at getting somebody. You have a call sheet that has information on it. The days of blindly calling somebody are really rare and they are hard to get. Based on our numbers, it's highly unlikely.

Maybe one or two percent. If you do 100 calls, you're going to get a couple of people on the phone. It's very difficult to do.

The calls that we have on our prospect list includes all basic information. We have three levels of information on our calls. One is a foundational call. You have to have a phone number, an email, a contact, and a company name. That is just foundational. You have to have all of that so you don't have to look it up.

The second is the basic information: Who the contact is and what the address of that tenant is. It's just some basic information. It may include how many employees they have.

Then we have what we call key information. It's foundation, basic, and key information. The key information is really where we make our money. It lists how many employees, how many square feet they have, when their lease expires, who the right decision maker is to talk to, and what the name of the decision maker's assistant is.

What we want to do is our interns are trying to get foundational information. Our brokers are taking that foundational information and getting at least the basic information so that we can start sending them our weekly emails and start doing our e-gifts and those types of things. And then if we can get the Holy Grail, which is what we all want to get – and it's much harder to do today to get that key information – then we're off to the races. Now we have a real shot at getting a real client.

Jim: Do you have any recommendations on services for people to get that kind of database information – the contact, phone number, email address, and things like that? Is there anything you recommend in that arena?

Craig: Great question, and the answer is: It isn't out there yet. There are a couple of start-ups who are trying to get it. We just spent a whole bunch of time and money, and when I started in Chicago in 1983 the John Buck Company was hiring 10-12 college students a year and they were canvassing the marketplace. Here we are 31 years later and it's still the best way to get information unfortunately.

Now CoStar Tenant is coming out, but that information is highly inaccurate. I think over the next five years you are going to see that information get there. It's not there today. We haven't found it today, and we have been spending a bunch of time trying to find it.

If any of your viewers or listeners have it, give it to me. That would be great. I would write a check tomorrow to have it, and I just can't find it. I think it's a great start up, and it's really difficult to get the information.

Jim: Have you looked at ProspectNow?

Craig: We looked at ProspectNow. We did a couple of tests where we had complete information on a building and we mirrored it up, and it just wasn't there.

Jim: It wasn't to the level you wanted basically.

Craig: No. I think we are using them, but that's just supplemental to what we have to do ourselves. I think it's a great model. I hope that they do well because we don't want to compete on who spent the most money getting prospects. We want to compete on our services.

Jim: Have you looked at LexisNexis?

Craig: No, we haven't.

Jim: Okay. That's something you might want to take a look at. It's LexisNexis.

Craig: That used to be the law firm stuff, right?

Jim: Basically, yes. It was something that they would provide information for attorneys with, but they have all sorts of detailed information on there at different levels with different places you can search and things like that.

It's more expensive than ProspectNow, but for anybody looking for a more elaborate and detailed resource, I would definitely take a look at it for sure.

Craig: Perfect. I'm on it.

Jim: I just wanted to ask you.

Craig: See if Chelsea is listening in tonight. Chelsea, get going on it!

Jim: Hopefully the pen has still got ink in it. Yeah.

So in terms of getting your clients to be loyal to you, I believe that you first really need to be someone who they would actually want to work with on more transactions in the future. What do you think is important for brokers to do that creates the feeling within people that they'd really want to work with you over and over again in the future for years to come?

Craig: Great question. The first thing is that I have this thing when we talk to our runners. We have six points of failure in our business, but probably the most important point of failure is: Can you get somebody to trust you? Can you look across the table and say, "Mr. Prospect, I want you to let me represent you." That's a big decision.

I don't know what the traits are that create the trust. There's a great book called *The Speed of Trust*. It's by Stephen Covey's son. It's a great book. He talks about all sorts of things that you can do to create trust and how trust drives the relationship. But if a prospect doesn't trust you, you're not going to get business.

There are so many ways to lose trust. They think you're chasing a commission or they think that you're just trying to slam them into a building or they think that you're not finding it. There are so many ways that you can lose the trust.

I think the other thing that's really important for a long-term relationship is that they have to like you. I have lost deals in the past where my intensity and focus has been too much for the client. They developed a relationship with somebody who was a lot more likeable or not as focused as me. I'm a fairly focused guy and the likeability drives a relationship.

The two words that I keep using over and over with our guys is: They've got to like you and they've got to trust you. How do you do that? It's not a science. You've got to do a whole bunch of things, but it's hard to tell exactly what it's going to be.

Jim: I mentioned in my introduction of you that there are two books that you've written. I wanted to give you a chance to talk about the books. What's in them? Who are the types of people that they are geared towards? How can anybody who is interested go ahead and buy them?

Craig: Thank you for that. It's interesting. I actually have a third book that just came out today, which is really interesting.

The first book is how to invest in commercial real estate. It's really written for the broker or somebody who wants to start buying real estate on their own behalf, or a person who wants to do that. It's called *How to Win in Commercial Real Estate Investing: Find, Evaluate & Purchase Your First Commercial Property – In 9 Weeks or Less*. It just walks you through the process of doing it.

One of the reasons we started the Lee office here is that we promote ownership in buying your own real estate. We think there is value in owning your own real estate. We think there is value in owning your own company.

I started buying on my own account about 15 years ago, and it was completely different as a buyer of real estate than it was as a broker of real estate. Your job is to close a transaction as a broker, but when you're buying for your own account it changes completely.

I wrote this book and it's simple. It's not a detailed book but it was picked up by Robert Kiyosaki in the Rich Dad library series, so it's been published by the Rich Dad folks. They have a lot of books like this.

The second book – and they picked that one up as well – is *The Art of Commercial Real Estate Leasing* – which is what I've done all my life. How do you lease these buildings? We all acquire properties and then the number one thing that drives people out is they can't keep their tenants or they don't do it. That's the easy part for us. I wrote that book in my sleep because this is what we've been doing.

That one is more in line of: Here's what we're doing if we own our own properties. A lot of listeners on here will say, "I don't need that one," but it might have a tip or two.

The third book that just came out yesterday is a book that I wrote as a legacy for my kids, but it got such good feedback that we actually published it. It's called *The Fantastic Life*. That's 18 rules for living the fantastic life. It's just a philosophy. I spent a lot of time with my kids talking about successes, failures, what we're trying to do, and the rules that affect those.

We went ahead and published the book, and that one I self-published. You can buy it on Amazon. All of these you can buy at Amazon. Thank you for asking.

Jim: Absolutely. I'm thinking with the other books that you wrote regarding real estate, at the appropriate moment in time those could be kind of nice to hand to people who you are interested in doing business with because if you wrote the book on the subject about leasing, that may make you even more of an expert in their mind about the person they should be listing their building with for lease.

Craig: Right. They call it a 'platinum calling card'. I mean, a lot of people write books to do that. We've used our books two ways. One, we do gift them. We'll give it to clients. "Here's a book that I wrote, and I thought you'd like it." We also use it because people know that I have been doing this a long time and that we actually have a process for how we acquire and how we lease properties or how we sell them. You are absolutely right. We use those as a platinum calling card.

Jim: Do you have any recommendations on how brokers can more effectively go about getting referrals?

Craig: I do. The first way, the most important thing is having clients who are referring clients. I don't mean that in the sense that lawyers will refer others because they are running with business. That's an easy way to do that, but I think it's more that if your client trusts you and refers you then you've developed that long-term loyalty relationship because they're now putting their name alongside yours and saying, "Look, I want you to use Craig and his team at Lee & Associates. They're the best."

That's what you want them to do. If they are referring you, you know that you have a great relationship with them. The second thing that you have to do is you have to be in their mind that you are referable. They're not thinking about you. We tend to think that our client knows us, so when he's out at a cocktail party and he hears about real estate he's going to mention my name. They're not doing that. They're thinking of you on a singular basis.

How do we get into their heads that when they're out they're thinking about us? We have to be top in mind of all of them. We have this email that we send out weekly. I think we're at 22,000 or 23,000 people a week who get it. We're top of mind. They are always thinking about real estate. They get 52 of them a year and we own the space on that across the country. We own it.

So when somebody thinks about real estate, we're getting emails back. It might not be something that we handle, but we'll refer outside of our own company or our own marketplace.

How do you get top of mind with your client? You have great relationship with them, number one. Number two, you are always giving them information that they can't get. Number three, they are thinking about you.

How do you ask for that referral? That's a process. That's not just something that you can just do and say, "Hey, do you have anybody that you know?"

I'll give you an example. We just did a transaction with a law firm. How do you parlay that to the next law firm? Well, all the attorneys talk. You can do that, but more importantly you can call your attorney and say, "I know that you have this business where you do patent law. Do you have any businesses that you know are growing right now and doing a lot of patents? We'd like to get to know those guys."

You're now into their world. They're doing patent law, and they're now chasing businesses that are chasing a bunch of patents or trademarks because they are a growing business. That's a referral that you want to get in.

You're not just asking, "Hey, how's it going? Do you know anybody?" You are specifically asking them.

I'm rambling on a bit here, but the best thing that I've ever seen, Jim, is my insurance guy has a 'Who do you know?' list. He has his top 30 prospects on it. He shows them the list and he says, "Hey, do you know any of these guys? Can I use your name?" When he gets five names he calls the prospect.

You'll see it. He'll say: It's Jim Gillespie and he knows Craig Coppola, and Andrew Cheney knows him. He'll have three or four names, and if he can add the fifth name on it then he will call them and say, "Hey, Jim. Craig Coppola and Andrew Cheney and Chelsea Clifton all said that you were a great guy and I should get to know you." How does that guy not take your call? It's a pretty powerful call.

Jim: When you can come into somebody in a new relationship having been referred by somebody they know and trust and maybe do business with, that is so much more powerful than calling them cold on the phone where they don't know you from anybody.

Now you start to come with the credibility that they had attached to those other people who told you to go ahead and call him. You go to a different place in their mind. It's like, "Well, if Bob and Carol and Stan all told this person to give me a call and they're doing business with them, then this is somebody who I should be listening to." It just opens the whole relationship in a completely different, much more powerful manner. That's great!

Craig: And LinkedIn is supposed to be it, right? But what has happened with LinkedIn is we've all just linked together. I got an email today that said, "Craig, you and I are linked and I want to refer you to this insurance person," and I don't really know the guy who I'm linked to.

You might think that you can get to them because LinkedIn will say that they're linked and you can say, "Oh, you're linked with Craig Coppola." It didn't work with me. I sent an email out this afternoon saying, "Thanks but I'm already taken care of." The reason I did that is because I really don't know that person.

LinkedIn can get you started, and if you're young in the business and you're linked with a bunch of people it's certainly better than going in on a cold basis, but the real way to do it is the old-fashioned way. We don't do a good job of this. I'm not telling you that we do a great job, but if you can go in there and ask them, "Here are ten people I'm trying to get a hold of. Do you know any of these ten?" Then you can build it up and make that call.

The other way is to have them make the call for you. Have them say, "Hey, I'm going to have this guy, Craig, call you." That is very specific marketing and I think it's a great way to do it.

Jim: You mentioned what you're sending out by email. I just want to mention to everybody that one thing that is great about your emails is you not only touch on business, but you touch into things that are important to people in personal arenas in their lives. You really would ideally like to make a personal connection with people in their life outside of business when you're doing a business relationship with people because it helps to solidify the glue that you're much more of a close friend than just an arm's length business person who they work with.

I highly commend you on that, but I also wanted to ask you what you send out from your team as far as regular mail through the regular hardcopy mail service to people?

Craig: On the landlord side of the business it's pretty easy. You kind of know who you need to chase. We have regular updates that we send to them.

On the tenant side of the business it's much harder to do. You want to try to touch them in different ways if possible. What I think is the coolest thing that we're doing right now is our postcard campaign.

It's not traditional size postcards. We're doing 6x11 or something like that.

Jim: So it's the real jumbo ones. Because the in-between ones are normally something like 6x8. So you're doing the jumbo's that are the 11 inches. Okay.

Craig: Yeah. That's right. We're doing the bigger one. On the front side of it is a really high-quality glossy photo. We'll do something of a building we put a tenant into. Then we'll have a catchy line.

We just did a creative space and it says, "We delivered the creative office space." You see it pops. There's a really cool photo that everybody sees upfront. It's not cheesy. We're spending the extra money to make sure that we have that pop on it.

We're also spending the extra money to make sure that we are also getting first class mail. If you do it by bulk mail, half of them get shoved in the garbage.

Jim: You know! That's awesome! So many brokers say, "What's the cheapest way to send it?" They don't know that it's not going to get delivered a lot of the time. Way to go!

Craig: That's right. And even first class it kind of gets lost. You really have to check it. We had to switch firms because we didn't feel like our firm was delivering them all. They will turnkey it 100% if you send the file to them. They'll send it out for you and they'll just charge you the bill for all of the mailing costs as well. We do that.

On the backside we'll say something about the transaction and we'll put our name on there. We're sending those out once a month. They are going to get 12, and they are all cool transactions. They are all different.

I told you earlier about the California Casualty transaction. On the cover was, "Clients hire us year after year after year, transaction after transaction after transaction." It was pretty powerful. It said that we've been here a long time.

I just pulled this other one up. It says, "We represent the future of creative office space." It has this cool photo with this cool space. On the back side it says, "Cutting edge creative office space. You read about it, we negotiate and deliver it. That's why Forward Tilt, the newest commercial furniture dealership, hired C2 to find the perfect space." Boom! There's the postcard. Cool photos, really high visualization, and we send that out in the regular mail.

Jim: That's great! That's wonderful, especially that jumbo size with great images. That's really going to grab people's attention outside of anything else they're getting in the mail. Wonderful.

You're willing to spend the extra bucks to do it. I love hearing that.

Craig: The other thing, too, Jim, as you know, you can't do one of them.

Jim: Oh no!

Craig: This is a commitment that you're going to do it for two years, and then I'm going to look back and say, "Did I get my bang for my buck out of it? How many people am I sending it to?" It gets expensive.

Jim: Just something to think about if you're not doing it already in terms of checking to make sure your people are sending out cards to all the recipients is you could have your team members, friends, relatives receive them at their homes just to make sure they're getting them, too, just as a test.

I always tell people when they're mailing, at the minimum include yourself on the recipient list, first of all to make sure that it's getting delivered, and secondly sometimes when you get it in the mail and you see what it looks like after it goes through the post office processing, sometimes they put a barcode with a sticker on the bottom. If you've got your phone number down there and it's covering that up, the card looks great when you're sending it out but not when it's being received.

I remember years ago I was sending out three-paneled brochures. They looked great going in the mail, but fortunately I put myself on the recipient list and when I got it and opened up the envelope, the ink was creating a shadow on the opposite sides of the paper when it was folded with the three-panel. I just went, "This looks horrible!" I had to basically change it and how it was being done and the paper that was being used, but I wouldn't have known that had I not put myself on the recipient list. That is very important.

Good. So let me ask you: With all the changes that have been going on in our industry, where do you see the commercial real estate brokerage industry evolving to in the coming months and years?

Craig: Great question. For those who get onto our weekly email, coming in January is a five-week series on technology in our industry. Actually I just turned it into three weeks because I didn't want a whole month to go by with people just getting technology, but I spent a bunch of time on it. This is the third cycle now where we've seen technology companies trying to get into our business.

First of all, in the brokerage business the investment arena has been really commoditized now. It's very difficult to be in because the comps and information is out there. On the leasing side of the business, it's still very difficult to get all the comp and all that kind of information.

There are tons of businesses trying to eat at that. The most successful business is CoStar. When we started, and when you were in the brokerage business, everybody had their own database and we kept it. Now CoStar has taken that and really run with it.

I see a continuation of technology making our business both more efficient and potentially cutting into our business on the brokerage side, both on the investment side and also on the tenant representation and the landlord representation side.

Secondly, in addition to technology, I see a continued quality increasing on an annual basis, both in terms of materials and services provided, but also in terms of the quality of people. There is so much money to be made in our business that it's increasing the quality of people.

Just to give you an example, the latest runner who just joined us is an attorney. He passed the bar and has his MBA. He's a JD-MBA and he decided to go into our business and learn business from us. He's making \$20,000 this year and next year, too. It's a two and a half year training program to figure out the business and not be an attorney.

We're seeing those quality kinds of people in our business, which means that our game over the next 20 years has to increase as brokers, and we have to look forward.

So you see teams, you see quality members, you see quality services, and you see quality in having to spend money on postcards.

I think the last thing, and this is something we spend a lot of time on, is your teams have to be made up of different skill sets. You can't hire the same fraternity guy or same sorority gal and the same model anymore. You have to have different skill sets. One of the reasons why we like this attorney is because he is an attorney.

I have a finance degree and an MBA. Andrew Cheney is a mechanical engineer by trade. Gregg Kafka is construction management bachelor degree, and now we have added this young guy who is a JD-MBA. We want to have different skill sets on our team that we can provide those.

You'll see those on big teams in New York and Chicago, but we're seeing it now in our marketplace internally with our own team. It's not, "Yeah, we have an attorney on staff." These are people embedded in our teams. There are three or four ways that we see the business growing.

Jim: Very impressive. Alright.

So it's time to segue into the question and answer portion of the evening. You can ask us any question you would like to about successfully building your commercial real estate brokerage business and taking it to the next level. The question doesn't necessarily need to be on tonight's topic either. If you would like to ask a question, press *0 on your telephone right now so the operator knows that you would like to ask a question. Press *0 just one time and wait for the operator to come on and talk to you. If you press *0 a second time, the operator will think that you've changed your mind about asking the question. So just press *0 one time right now if you would like to ask a question.

If we don't have live questions then we will go to some of the email questions that people have sent in to me this week knowing that they wouldn't be on the live call. As we're moving forward in waiting for the questions, let me tell you what we're going to be talking about on our next three Inner Circle calls.

In December we will be getting into all the important details for planning your commercial real estate excellence for the year. Having your year planned out so that you know you're following the right path to create the success that you really want is extremely important. Many brokers go through the year thinking that they're on track to producing the results that they want, and then they kind of scratch their heads towards the end of the year and wonder why they didn't make the money that they were so excited about making at the beginning of the year.

On next month's call we're going to talk about what you need to do to plan your year out so that you're doing the right activities. And really, most importantly, oftentimes it's making sure that you're focused and on track and not getting off track from doing those activities. I find that

usually when brokers design a game plan, it can oftentimes be a very good game plan but they many times get off track from working it and, unfortunately, don't recognize that they are off track from working it. So these are the subjects that we're going to cover on next month's call.

In January we're going to be focused on totally eliminating your brokerage competition. In this call we're going to focus on everything you need to do to have yourself stand out from your competitors so your clients and prospects just say 'yes' to working with you over everybody else.

There are really so few commercial brokers who do much of anything to stand out from their competition, and they end up looking quite similar to their competitors most of the time.

In this call we're going to show you how to stand out from your competition so that people feel you're the best choice they could ever make in a commercial real estate agent, and you begin capturing more of the lion's share of all the business that's available for you in your marketplace.

In February we're going to get into all the details on becoming a master at making powerful real estate presentations. How you present yourself to your clients and prospects determines whether they are going to work with you as their broker or whether they will work with one of your competitors instead.

In this call we're going to look at all the important dynamics of making powerful real estate presentations, and you will learn how to make presentations that will have more of your clients and prospects choosing you as the broker they'll work with over all your competitors.

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

Operator: Okay, our first question tonight comes from Becky. Becky, please go ahead.

Jim: Becky, are you there?

Becky: I'm here.

Jim: Okay. Fire away. We can hear you now.

Becky: I'm sorry. I'm driving and it's two degrees in Denver.

Jim: Great! Winter time is already here for you. Good.

Becky: I'm sorry. I forgot the name of the gentleman you are interviewing, but it's been a fabulous interview. I'm wondering when he prepares his cold calls and they do their cold calls, does he target specific property pricing and specific property types so he knows he's calling everything that sells over a million dollars? How does he set that up?

Jim: That's a good question. Craig, fire away.

Craig: It's a great question. Because of the team environment you have four levels. My 20 calls I don't do any calls now that are under \$250,000 commissions. Every client that I'm trying to call is a big whale and/or an influencer who can get me to a bigger transaction.

Andrew, who has been in our business for 12 years, is doing 5,000 square feet and bigger. We do calls also by size, but also by geographic area where we may have a listing or we want to do a deal, or we'll target and talk about that in a second.

Gregg, who is three years in the business, is 2,500 to 5,000 square feet. Then our runners we put out in the pasture. He's learning his ropes and he's doing ancillary submarkets that aren't necessarily mainstream submarkets.

We do segment by how big the prospect is. We also segment by industry, and each quarter we're doing a different type of industry. So if we do a couple of law firms, we'll attack those law firms. Then I'll call a big 80,000 square feet plus law firm. Andrew will call the 10,000 square foot law firms. We'll do both and we'll mix it up just so we're not stuck in the same rut. We'll try it a little bit different every quarter.

Jim: That's good! Wow! I'm sure a lot of people just got elevated to a new level when they heard that you're only prospecting on \$250,000 and up commission opportunities. Everybody's going, "Whoa! I want to get to that point, man!"

Craig: I was on a call this afternoon with a client who I'm doing a 1,200 square foot expansion personally right now. The reason I'm on it is because it's an organization I'm on the board of, and the top 100 business guys and gals in the industry are on this board. I'm doing the transaction. Do you know why? Because some time in the next couple of board meetings they are going to have me stand up and say, "Craig did this, and he's great," and there are 100 people who are going to hear it.

I'll reach down below that if the influencer or somebody who can direct me to the people is involved, I'll do it a little different.

Jim: It's called knowing your audience.

Craig: That's right.

Jim: That's good. Becky, thank you for the question.

Craig: And by the way, Becky, it's Craig Coppola for your deals in Phoenix.

Becky: Thank you so very much.

Jim: There you go. Operators are standing by now! Speaking of which, Operator, do we have another question?

Operator: Yes. Our next question comes from Mike. Mike, please go ahead.

Mike: Good evening, Jim and Craig.

Jim: Hi!

Mike: Very nice Inner Circle call this evening. I just wanted to compliment you on that. I've got a question for Craig. You didn't really touch on networking events. I was just curious on your thoughts of the importance of networking. And when you do your networking, how do you go about it? How much of it do you do? Do you strategize or have targets in mind prior to going to those events?

Craig: Great question. The answer is absolutely. Everybody on our team has to do at minimum eight networking events a month. When we call it a networking event, it has to have a couple of things in it. It can be breakfast, lunch, or dinner. It can be an event – an open house or something – but it can't be with other brokers. You can't go out and do a broker open house and think that that is a networking event. It has to be where there are decision makers at that event.

We just added for 2015 the stick on that. If they don't do eight events a month they will have to write us a check. Just for example, today I will have done three events. This morning – I'm a CRE – I went to the CRE breakfast. There were five influencers there. That is one event for me.

I had a lunch today with somebody who I have done business with for 30 years and we exchanged deal leads back and forth. I don't have a big networking group like Egypt where I do that. It's one or two people.

Then this evening I'm reaching out to people across America who will hopefully, if they have a business in Phoenix, they will give it to me. Today I would say that I had three events that I did. So we want to make sure that we're out there.

The key to that is what target audience you're doing. One of our guys is in our high tech space, so he has to join the high tech councils and industry. I do a lot of work with the law firms, so I am constantly doing some stuff where attorneys are involved. That's where you would kind of target reach that.

I think the biggest key, and one of the things, Jim, that we didn't talk about, is you have to get out ahead of your schedule. By that I mean both for your calls by putting them in there, but also your events. How are we in the next month going to get our events out there? If you don't plan those, you're not going to do them.

Jim: Absolutely. Eight networking events a month! That's extremely impressive. I'm just loving this. That's great! I'm so glad Mike asked the question because the level that you are holding yourself and your team to around networking events is just outstanding!

Craig: You've got to do it. Again, it's incredibly hard to cold call these days, so we think we're going to get more business just out of the network events, but you have to do both. If you're not out there networking, you're not meeting people. If you're not out there cold calling, you're not

out on the street getting your market data that people want from you. You have to have a combination of both of those.

Jim: Great!

Mike: Thank you.

Jim: Thanks so much for the question. If the operator has one more question we'll take it. Otherwise we'll move on. Operator, is there another question?

Operator: There is currently no one in the queue.

Jim: That works out perfectly. Great! So moving on. It's time for what I call the coaching portion of the evening. It's always important for me to give you some type of standard to move towards, some type of goal to shoot for month to month. So my question to you is: What did you learn tonight that you want to get to working on and achieve some type of benchmark or goal to have accomplished between now and next month's call?

In terms of inspiring client loyalty, in terms of prospecting, in terms of getting your database in great shape, giving gifts, socializing, or anything else, what is it? Write down one to three things that you want to focus on and accomplish between now and next month's call.

When you do this month to month, things happen. They start to build. Things take off. You generate more leads, start working on more transactions, you close more business, and life gets even more exciting as a commercial real estate broker.

So write down whatever those activities are to accomplish between now and next month. The regular members of the program, you are entitled to the ten-minute coaching calls with me once a month. I'll send out an email tomorrow, as I always do, to remind you to schedule those. Just get these things done month to month. You'll be generating more activity, closing more business transactions, and as I said, things get more exciting.

If you're ever interested in more coaching one-on-one with me for two, three, or four 30-minute calls a month, that is when we can really explode things and make them happen. You can always contact me through my website if you're interested in that at www.CommercialRealEstateCoach.com.

With that being said, I just want to say, Craig, thank you so much for being on the call tonight. You were wonderful. I thought you had great things to say. You gave everybody, including me, great information here tonight. You want to say anything in wrapping up as we're about to move forward here?

Craig: I do. I just want to say thank you for having me on, Jim. You do a great job. I read your emails and the e-gifts that I get from you. These Inner Circles, you get good tidbits from them or major changes in your business. Not any of us has one answer to everything, so it's nice to hear what other people are doing in the marketplace. So thank you.

Jim: I'm glad that one teleconference that you listened to, which was my interview with Scott Lamontagne, is inspiring you and your team to make some changes and take things to the next level, too. He's an amazing person and broker as you are yourself. Thank you so much.

Craig: Thank you so much.

Jim: During our next Inner Circle call next month, the topic is going to be 'Planning Your Commercial Real Estate Excellence for 2015'. Can you believe we're already getting to that point where we've got to talk about planning out the next year already?

Again, write down one or two ideas to work on. Get them done. Schedule your coaching calls with me as you're entitled to.

Thanks again to Craig for being with us tonight. Thanks to everybody for being a member and for being on the call and listening to the recordings as we always get out to you every month. Kick some butt between now and next month. Get those things done, and we'll talk again during our next Inner Circle call next month. Take care and good night.