


Successful commercial real estate offices recruit often – sometimes constantly. It's a necessary chore if the office is expanding. Whether hiring a seasoned professional or a new college graduate it is necessary that the new person can fit into the culture of the office and has the desire to succeed. The processes and intuitive guesswork for the type of person hired is very different so the hiring skill sets have to be flexible.



FILLING THE VOID

RESPONSIBLE AND
RESPONSIVE
RECRUITING
DEPENDS ON
COMPANY
NEEDS

By Steve Bergsman, Sponsored by SIOR Foundation

There is no getting around it; recruitment is a constant enterprise, especially at large companies.

As Paul Waters, SIOR, COO of Integra Realty Resources in New York, notes, "when I was in a leadership position with one of the major platforms in South Florida I was always recruiting. I was recruiting 24-7 because you need to add producers; you have to add bottom line revenue."

It is a necessary chore that involves some basic but important options, the most important of which is to go in the direction of hiring experienced talent or

looking for the young man or woman who has that glint of desire and hard work in their eyes and who can be the future of the company.

There is no one answer here. Sometimes, it works to hire the person of experience and sometimes not. It all depends on circumstance, the type of position needed to be filled and budget. In either case, that new hire has been placed in a position where success can be attained, otherwise that position will be open again sooner rather than later. The company will have wasted dollars, and most importantly time, on someone whose tenure was unexpectedly short.

It also depends on the size and structure of your company. Frank Schultz, SIOR, is the Managing principal of an



independent company in Los Angeles, Calif., called The Klabin Company.

“From a recruiting and business standpoint we are competing with the CBREs and JLLs of the world,” says Schultz. “We had this idea that we would talk to some guys who were unhappy and we would tell them how great it is to work at a small company based on income, flexibility, and lifestyle. It never worked.”

The Klabin Company now looks for the right college graduates or people who are looking at this as a second career. The company understands it is going to take time, effort, training, and really just a lot of effort from the principals.

“That’s how I was hired 15 years ago.” says Schultz. “That was the program I was on and what I’m trying to do is continue our organic growth.”

THE MID-CAREER HIRE

Some managers who recruit break the process into two options: the pursuit of top talent, which is often referred to as the lateral move, and, secondly, the recruiting of raw talent of the young person recently out of college and/or shifting careers. Waters suggests there is a third tier, the pursuit of a person with a moderate level of experience but whose career may be emerging.

“These emerging candidates may have hit a ceiling or may be on a team whose leader may not recognize their talents for a number of reasons, typically economic ones,” explains Waters. “You can write checks to onboard this level of recruit but what they really desire is a better value proposition. They want to be the center of their own hub, have their own team, responsible for their own listings and their name on agency signs. You have to provide them that autonomy and even the ability to recruit for their own team.”

THE SEASONED PROFESSIONAL HIRE

The most recent hire by Atlanta-based Joel & Granot Real Estate/CORFAC International was a lateral.

“We look at hiring laterals and youngsters; it really depends on the firm’s needs at that time. Our last hire was an experienced player,” says Dan Granot, SIOR, a principal with Joel & Granot. “This was an opportunistic hire that filled a void in our areas of specialization. The person was a retail broker and we wanted a strong lateral move for the firm. He has 25 years experience and we knew what he was bringing to the table from a production and experience standpoint. This was an easy hire for us.”

Laterals, Granot adds, can find their place in the office because they come with their own book of business. If they produced X amount of revenue in recent years, then it is assumed, barring something unforeseen, they can keep producing at the same level. The caveat being, the seasoned pro still has to have a hunger to be hired by us.”



The experienced candidate is an expensive hire. As Waters points out, you usually have to write them a check based on a year's historic revenue. "The competition is keen for these professionals and the recruiting process can take up to two years or longer," says Waters. "And they require a competitive package, including aggressive splits, marketing allowance, administrative support, parking space, etc. – if they are confident in their market value, they will ask, then demand it all."

It's not as easy as it sounds. Top producers come with a lot of baggage, personal and professional habits, and expectations that can grind down even the best offices.

"For us, we are really cognizant of culture," says Grant Pruitt, SIOR, president and managing director of Whitebox Real Estate LLC in Dallas. "The most critical thing for us is cultural fit. If it is not a fit, I don't really care who the person is – it could submarine the entire operation. From a recruiting standpoint we are always looking for good, hard working folks, established producers, the rock stars, but there is also an element of making sure we preserve the integrity of the culture that we have. We are always making sure that everyone works together."

HIRING & NURTURING THE MILLENNIALS

By Graig Griffin, SIOR, a partner in Pathfinder Teams, LLC, a Salt Lake City-based master-level training and coaching company serving the real estate industry.

Much has been written on the Millennial generation (those born between 1980 and 2000), and how they operate in the selection of and commitment to work. Unfortunately, many of the common stereotypes are false or exaggerated and this has left American business with a less than accurate perception on the best way to hire and retain the new power generation. As it pertains to commercial real estate brokerage, here are a few key tips that will help you attract and keep your future A players.

- Millennials are keenly aware of the work-life balance, and are more likely to expend their best effort if they can see a clear path forward. We must offer a clear roadmap offering a fair exchange of effort for future reward.
- Flexibility factors heavily in both work environment and in scheduling. Be open to change and creativity while maintaining accountability.

- As highly-coachable individuals, Millennials will gravitate to positions that include a combination of education, training, coaching and most importantly, mentoring. Your firm's ability to offer continued guidance, perspective, and wisdom will be key with younger agents.

- Millennials will seek cultures with higher engagement. They will appreciate more frequent feedback, opportunities to collaborate, and will want firms that are well represented online and through social media.

- Your technology matters – a lot. Our investment in keeping our tech current and functional is crucial, and we can channel the "immediate access" mindset into a great sense of urgency in business.

For many CRE firms, adjusting to Millennials can be fairly involved, or even disruptive. The good news is that making positive change to accommodate younger brokers also sets you up for a better business going forward.

What Pruitt doesn't want is the person who is a silo unto themselves, the person who closes the door and operates behind that closed door. Whitebox is an open, collaborative company and it's that culture that it wants to preserve. So, how does Pruitt make sure that happens?

"A little bit of it is trial and error, but you get better at it as you go along. Everybody is looking for the silver bullet to make sure that every hire is the perfect hire and that you don't have any slip ups. We are diligent in trying to set expectations for our people. I tell people when we are talking to them that it is like dating and they are trying to evaluate us as much as we are trying to evaluate them. I make it clear that we want people that are a fit."

Pruitt suggests drilling down on references and seeing if the company has done any business with the person in the past. His company does a minimum of three interviews, often with four to five people from staff.

"I get a lot of people who come in and say, 'so where do I take over and who am I going to be managing and how much are you going to pay me.' That really nags at me," says Pruitt.

"Basically, they are saying, I have X amount of experience so I shouldn't

have to peddle as hard on the bicycle. The job is not about them, it's about doing the best for the client."

Recently, an experienced broker, who had a successful career but was in a culture where he didn't fit, came to Pruitt looking to make a cultural move. Whitebox hired him and he has been a "real success story."

"What he brought to the table was desire," says Pruitt. "I tell people all the time, regardless of where they are in their career, I can work with people who have drive and desire and work ethic. That is what I look for. To a certain extent I don't care about the resume or the education. If I see the passion in there, I can cultivate someone into being a success. When he first came in I was a little bit hesitant. We met several different times. Then he said, 'I'm going to be the best darn broker in this company.' When he got out of the interview I looked at the other person in there and said, 'he's going to be a success because he wants it more than everyone else.'"

THE YOUNG HIRE

When Colliers International established itself in Cleveland, its first hire was Brian Hurtuk, SIOR, who is now a managing director. At the time, Hurtuk had to staff up quickly and he hired a

dozen established professionals. Then as he got about two to three years into the recruitment process, he realized he needed to focus on the next generation. The question was how to do it successfully.

"We focus on the local colleges and universities, trying to establish a pipeline of interns," says Hurtuk. "We bring someone in, whether it is during the summer, even during the school year. I'm a relatively small office and I might have anywhere from one to two interns where my Cincinnati or Columbus offices can have three or four. It gives us a chance to get to know someone, see how they are working out."

He also uses a program called the McQuaig Word Survey to identify someone's strengths, what they do well. The idea is to try and make sure the company fits the right youngster to the right mentor. As Hurtuk tells his senior brokers, when you take on a broker-in-training it's like adding another dependent to your family. The senior brokers really have to teach the new people the business. If we spend the right amount of time in matching the personalities, we're seeing good success."

Colliers International in Cleveland is in the midst of an expansion and participating in a couple of career fests in the region. Hurtuk's goal for the Cleveland office is to have four interns during the school year, each working eight to 10 hours a week.

"We want to have part-time interns during the school year, primarily college juniors or seniors, and then have them come aboard during the summer working about 30 hours a week," says Hurtuk. "We really expect that we will achieve some great success. I'm patterning this off of what we have done in Columbus and Cincinnati. Our Milwaukee has been doing this internship program for several years and some of the partners in

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that office are in their mid-30s because they started so young in the industry.”

Over in El Segundo, Calif., another Colliers International office has been recruiting both experienced brokers and those new to the industry.

The good thing about hiring young people is that they are a blank slate and you can mold them to what the company wants them to be, says Christopher Sheehan, a senior vice president, who was hired by Colliers right out of college. It’s been his only job as an adult.

“Most of these guys and gals are out of college and don’t know exactly what they want to do, so you can fill vacancies within your company and you do so by teaming them with a senior broker who works in a particular market or specialty and is doing well,” says Sheehan, adding that as a manager it’s important to make sure that the senior broker is mentoring the younger broker correctly.

Hiring young, potential talent is difficult, notes Granot. “I used to think I could sit down with someone and know; that I had an incredible eye for talent. Then I realized I don’t. You try to do some due diligence and then you have to take a risk. We like the idea of hiring someone who was an athlete, because they are used to competition and usually understands what it takes to succeed. That is a check-mark. If they are from metro Atlanta area there is an inherent, market-familiarity advantage in this business. Another check-mark. Of course, they don’t have to be an athlete, what we like is if that person was really good at something, i.e., a math prodigy. Then we know they have the personality to be the best at something. Another check-mark.”

The new hire can be a revenue producer in six months as small deals tickle in, but nothing substantial, says Schultz. “Depending on the person and life circumstances, when they get to the point

where they are actually covering the cost of being there and out of harm’s way it is usually every bit of three years.”

Sheehan admits hiring the young and inexperienced is risky as a lot of them leave for one reason or another. The secret to the steady hire is keeping the hires involved. “Management and senior brokers have to be hands on, making sure the new hires are not left on an island, taking them to meetings and ensuring the culture of the office they are working in is good. You have to get them immersed in the business.”

Success comes with pairing the new hires with the right person, someone who has the right personality and work ethic.

In Sheehan’s office, the junior broker is a runner for a year with a base salary. Depending on who they team with and the senior broker’s specialty, that’s where young hires usually becomes proficient. ♥

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SIX THINGS TO DO WHEN HIRING YOUNG RECRUITS

By Paul Waters, SIOR, COO of Integra Realty Resources in New York, and Frank Schultz, SIOR, vice president of the Klabin Company, Torrance, Calif.

1. Team new hire with a senior producer.
2. Show the new hire “love” and attention.
3. Get them on the street sooner rather than later.
4. Patience. Make sure they understand commercial real estate is a long game.
5. Continue to challenge them.
6. Don’t be a jerk.

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