

The Art of Selecting an Effective Local Advisor

and the Pitfalls in Between

By Simons Johnson, SIOR, MCR, CCIM

The selection of a local field advisor is vitally important to the success or failure of a complex, corporate tenant representation project. In most cases, poorly executed transactions on the local level can be resolved with a strong account transaction manager and detailed corporate real estate department.

However, transactions are becoming more complex with specialized build to suits involving detailed cost analysis and sale lease back provisions; for instance, the account transaction manager has to be more aware as to whom they select on the local level to not only execute the transaction and keep the client satisfied but to protect the account.

One of my favorite movies is the “Italian Job,” and in my opinion, the most piercing line about the importance of finding an effective working partner is the following: “I trust everyone, it’s the Devil inside them that I don’t trust.” In order to best understand how to find the most appropriate local advisor, I believe that we should first understand the things that keep up the account transaction manager and corporate real estate departments at night.

The account transaction manager may have the most to lose in this selection process. For example, if the local advisor does not perform well, they will most likely not be asked to assist again. Yet, that same local advisor may have other accounts and clients to assist and pursue; therefore, the risk and the pain threshold is considerably less than that of the account transaction manager. Meanwhile, the account transaction manager may be judged by the corporate real estate department via a key performance indication (KPI), and with a poor score/rating in a particular city, this could impact the long-term relationship with the client.

The corporate real estate department is at risk as well. If the company selects a particular site or building, and the company does not meet or exceed profitability expectations established by the executive management/corporate board of directors, executive management may consider reasons why the company performance is below expectations, and look to those accountable in selecting that particular site or building. While this may

not occur on a frequent basis, global conditions faced in the most recent depression brought to light such occasions. Corporate real estate departments are seeking to align their account transaction manager along with the local advisor to hedge such risk and make informed and strategic decisions.

Based upon the fears that all three groups face on a daily basis, what are the key characteristics that an account transaction manager and/or a corporate real estate department/director should consider in selecting a local advisor? Below are several questions to ask yourself:

- Is this local advisor trustworthy?
 - If the local advisor is in a different company, make sure they understand the client relationship.
- What do his/her competitors say about this advisor?
 - Is this advisor viewed as a fair, balanced and ethical advisor?
- Is this person experienced with complex corporate transactions?
 - Do they have a track record with similar requirements?
- Does this advisor have available internal company resources and team members to cover last minute conference calls, client tours, etc?
- Is this advisor hyper responsive to client calls, emails, etc.?
- Is this advisor able to deliver excellent content and materials to the client?
- Does this advisor track the requirement progression in order to highlight potential pitfalls and/or strategic opportunities?

The summary of this composition is based on deep-rooted trust, not mere perception of business qualifications alone. Without such trust, it does not matter how effective the local advisor is for the client. Once you have a short list of trusted local advisors then the account transaction manager and the corporate real estate department are in safer waters. ■