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## How Do You Quantify a Firm's Culture and Leadership Value?

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GlobeSt.com **EXCLUSIVELY** chats with head of Terra Search Partners, Matt Slepín about leadership, culture and the next generation.



*Matt Slepín is the Founder and Managing Partner of Terra Search Partners*

The best companies in the real estate industry attract and retain the best talent. They mentor, they grow, and they provide opportunities to their people. Those thoughts are according to **Matt Slep**, the founder and managing partner of **Terra Search Partners**, a retained executive search firm helping real estate companies build great teams. GlobeSt.com recently chatted with Slep about leadership, culture and the next generation.

***GlobeSt.com: How can organizations provide a strong sense of its corporate culture to field-level employees?***

***Matt Slep:*** First, it comes from the very top of the organization. Top level leaders must be able to articulate a vision and values for the organization and then drive them through every level of the company. The difference is that the CEO wants to build a company with a lasting business enterprise versus just a collection of assets. To be a lasting enterprise, the company must have a deep understanding not just of the “brand” but of the foundational DNA that defines and motivates and inspires the company. There must be a believable, inspired message for professionals up, down and across the organization. Then, it takes all levels of management up and down the organization, from executives to deal people to site level employees, to create a consistent and persistent set of values.

***GlobeSt.com: What happens within organizations that build a culture of achievement vs. a culture of “run-of-the-mill”?***

***Slep:*** First, I describe the difference as a “lasting enterprise” versus a “collection of assets” company. When a culture of excellence and values is driven down to site level employees, they bring a pride and perspective on the business that winds up being hard to miss and it can have outstanding results. I was on a panel recently with the leaders of Camden Property Trust and UDR and heard some compelling stories. At Camden, for example, the company was founded with the goal of being a “best place to work” and they have made the various “Best Places to Work” lists for many years, including the

Fortune list of 100 Best Companies to Work For and the Best Workplaces for Millennials lists

***GlobeSt.com: How do you mentor the next generation of leaders within your company? Do you understand what makes them tick?***

***Slepin:*** The best companies in the real estate industry attract and retain the best talent. They mentor, they grow, and they provide opportunities to their people. Sometimes great talent needs to leave the nest to keep growing. Executives are taught to mentor and build teams rather than create self-protective environments. The best companies have “alumni clubs” who continue to do business together, so leaving a great company creates a virtuous versus a vicious cycle. Think about the alumni clubs and spin outs of industry legend, but call in an “incubator” way. I’m thinking here of companies like Trammell Crow, Security Capital, CBRE, RREEF, Chase, and others.

***GlobeSt.com: Diversity – it’s important to have all sides (from age to experiences) – how can (and why should) organizations embrace it?***

***Slepin:*** Real estate is still a famously old-white-guy business and our caricature is of the cowboy developer. The industry has evolved tremendously and we now have companies that rival the best in corporate America. These firms are embracing diversity in age, gender and ethnicity and know that their futures depend upon it. We are seeing it throughout the industry, but we still have a long way to go. I like to think of it this way — our industry has built our great cities but we are also the ones who created sprawl and emptied out our great cities several generations ago. It will take a very diverse industry to know how to rebuild and serve our more densely growing cities going forward.

***GlobeSt.com: Why does it matter? Do companies with great leadership and culture succeed better than companies without?***

***Slepin:*** First, it matters psychically. You talk to great leaders at the end of their careers and they speak about the size and scale of the enterprise they have built, but their faces soften and they show the most pride talking about their deeper legacy in building a great company. Second, great companies persist, so there is enterprise value, not just appraised value of the assets. To be honest, this enterprise value is hard to quantify. It

is easiest looking at the REITs. We all know the leaders and we all know the laggards. What distinguishes them? It is leadership over more than a generation and over cycles. I was on a panel with a REIT analyst recently and he said that, when he does a site tour, he is not looking at just the real estate. He is also talking to the site level team and seeing how well they are representing their company. Do they walk the walk and talk the talk of their business enterprise? Is the vision being pushed down to the site, or at that level, have the employees become generic? He did not ascribe a percentage of NAV on this, but the companies that show this level of operational excellence, translated up and down, are the companies he recommends for investment.



## **Natalie Dolce ›**

Natalie Dolce, national executive editor of GlobeSt.com, is responsible for working with editorial staff, freelancers and senior management to help plan the overarching vision that encompasses GlobeSt.com, including short-term and long-term goals for the website, how content integrates through the company's other product lines and the overall quality of content. Previously she served as editor of the West Coast region for GlobeSt.com and Real Estate Forum, and was responsible for coverage of news and information pertaining to that vital real estate region. Prior to moving out to the Southern California office, Natalie was Northeast bureau chief, covering New York City for GlobeSt. Dolce's background includes a stint at InStyle Magazine, and as managing editor with New York Press, an alternative weekly New York City paper. In her career, she has also covered a variety of beats for M magazine, Arthur Frommer's Budget Travel, FashionLedge.com, Co-Ed magazine and the Daily Orange newspaper. Dolce has also freelanced for a number of publications, including MSNBC.com and Museums New York magazine.