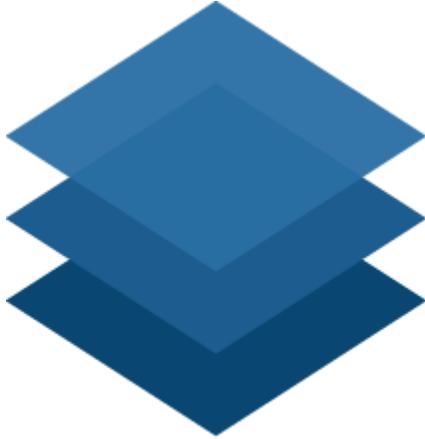




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Viewpoint: Leading Your Business in the Sweet Times

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We are in the midst of one of the sweetest times in our real estate careers. We are in the sweet spot of a fairly mature, but not-ending-soon market cycle for the real estate business. It is not universal, and I acknowledge that I have a biased perspective from my perch in San Francisco. But clearly the business is strong, and now is the time for those at the helm to make their dough and make their mark.

"Business enterprise" is not a seductive term, but I use it to provide the opportunity to think holistically

about your business. The real estate enterprise is about the long-term success of the business as a whole. How are you leading in these sweet times? Here are 10 things that executives should be thinking about:

1) Resiliency

The next downturn will happen. It might be regional, or it might be by industry. An exogenous situation might blow everything up again. You cannot be bulletproof, but you can be thoughtful and you can improve your resiliency. What plans do you and your company have in place? How is your business resilient? How are you brittle?

2) Succession

Everyone talks about it, and, in corporate America, companies plan for it. But in the private enterprise, leaders are often woefully in denial about their lifespan and that of their long-term trusted team members. Now is the time to build your organization for the next generation. Look at all of the key roles in your organization, including your own, and see how prepared you are.

3) Capital Structure

The twin pillars upon which resiliency rests are leadership and capital. Capital is a key factor in succession planning. How is your capital structure set up for a downturn? How is your capital structure set up to take the best advantage of today's opportunities? Is your capital structure set up, especially if you are a private company, for the next generation to have the wherewithal to take over the firm and also allow your rightful liquidity over time?

4) Business Infrastructure

How strong is your business infrastructure? In particular, how strong is your technological backbone? How integrated are your accounting and reporting with your operational systems? How is the communication among your team? Do you have a strategic or ministerial head of human resources? Where can you upgrade? Where are your weaknesses and your risks? How does your infrastructure compare with your best competitors?

This might seem to be the mundane part of the business, but it is the base upon which long-term -- versus pure transaction -- shops are built.

5) Diversity

One of our clients was recently reviewed by an outside consultant, and the only negative mark was that it is a team of really talented white guys, all of whom have been working together for 20 years. Too stable. No diversity.

If everyone has been together for 10 or 20 years, it is too easy to be myopic. New faces on the website's leadership page are important. More important? Diversity matters throughout an organization, including in the board room.

This is not head-in-the-clouds idealism. It is critical to the long-term success of your business. Look more like your customer and your investor base, or you just won't get it in terms of responding to your markets.

6) Sacred Cows

What are you holding onto in your business that needs to go. It could be people, assets, process, geography, et cetera. What is it in your firm? What is that one hard decision that you just have not yet looked at?

7) Know Thy Competition

What do you do better than anyone in your business? About average? Worse?

Make the best better and make it your fortress. Improve the average stuff by 10 percent. Solve the bad stuff. Go for it. Otherwise, you are treading water.

8) Rewards

In your enterprise, what is the balance of the financial rewards between ownership, leadership, workers and investors? This is a question of sustainability and fairness. Are you providing key employees with the opportunity to create net worth? Is the balance between the financial rewards for you, for your key senior team, for the investors, and, indeed, for your workers fair, appropriate and aligned?

9) What's New?

You cannot afford to be caught flat-footed by changes in the economy, technology and the globe. You cannot afford to miss the trends -- both in your customer base and your employment base -- of the next generation and of globalization of capital, tastes and opportunity.

10) Are You Having Fun Yet?

Finally, take a look inside. Business is a sustaining passion for most executives, but you know there is more in your approach at work and in the balance of your life.

What are you giving back? Whom are you mentoring? What are your business and personal passions?

Again, now is the time to be hitting this on all cylinders.

This is indeed a sweet time in the business cycle. For those in leadership positions, maybe this is the time of your great hurrah. How will you take the opportunity to make a great difference?

Matt Slepín is the founder and managing partner of Terra Search Partners, a retained executive search firm that serves many of the country's foremost REITs, private equity firms, pension fund advisors, private developers and owners, family owned businesses and non-profits. He writes frequently on matters pertaining to human capital in the real estate business.

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