

Knakal Knuggets - Thoughts from Bob Knakal

The Lessons Learned During the 26 Years & 46 Days of Massey Knakal

I founded Massey Knakal Realty Services on November 15, 1988 with my partner Paul Massey. On December 31, 2014 the company was sold to Cushman & Wakefield for \$100 million.

During the 26 years and 46 days of growing, and running, the company, there were many lessons learned along the way. Unfortunately for us, most of these lessons were learned through trial and error and hundreds of mistakes were made. However, we rarely made any of those mistakes more than once.

This brochure will recap a series of the most important lessons learned during our tenure running the business. Interestingly, many of these lessons apply not just to commercial real estate brokerage businesses but to almost all service businesses. And, yes, some even pertain to life. I hope you enjoy these...

Lesson #1:

Keep an Open Mind & Think Outside the Box

In 1981, I was a Freshman at the Wharton School, and back then, I wanted to be a Wall Street guy just like every other Wharton student. Over spring break, I decided to drive around North Jersey and drop my resume off at every commercial bank and investment bank I saw, hoping to get a job that would look great on my resume.

I came out of a PaineWebber office in Hackensack, New Jersey and across the hall I saw "Coldwell Banker", which today is known as CBRE. Thinking it was a bank, I walked in, handed them my resume, and later that afternoon received a call to set up an interview the next day. In 1981, there was no internet, so I went to the library to learn more about this bank and soon found out that it was actually a real estate company. My first thought was that I knew I didn't want to get into real estate, however, they were the only company which was hiring college kids for the summer. I took the job and loved it from the first day.

The office was full of hardworking folks who really seemed like they were enjoying what they were doing. They were making good money and seemed very happy. I spent that summer driving around Morris County with a Hagstrom Map, making sure I drove down every block, stopping at commercial properties and writing

down information about each property I saw. I loved it.

Serendipity brought me into the real estate business. I tell young people today to expose themselves to as many different things as possible and find out what you are really passionate about. You just might find you really enjoy something that you weren't anticipating. Something may just reach out and grab you.

I often say, I didn't choose commercial real estate sales, commercial real estate sales chose me.

So the lesson is to keep an open mind because you never know how or when opportunity is going to come your way.

Lesson #2:

Your Partner(s) Must Have A Similar Work Ethic

My Partner, Paul Massey and I, had different skill sets and over time gravitated towards different aspects of the business but, the one thing that made our partnership so strong was having a similar work ethic. I think this is the key to a long-term partnership. Your skill sets can be complimentary, or not, but if you are both not putting in the same effort, this can lead to issues down the line. I have seen many partnerships fail because the effort of the partners was not similar, or the perception of one of the parties was that the effort was not equitable. During good

times this is less of an issue but during tough times, issues like this become magnified. Similar work ethic was a key for me and Paul. If you add up all the hours that Paul and I worked over our 30-year partnership and aggregated them over those 30 years, I bet there's less than a 10-hour difference between the number of hours I've worked and the number of hours Paul worked. That was the key ingredient in making our partnership last.

Lesson #3:

Don't Expect Bank Financing for Awhile

By 1986, Paul J. Massey and I had been brokering for two years. I was 24, Paul was 26, and we had made \$176,000 each. There was a breakdown within the system that CB was implanting at the time. We were playing by the rules and when one of the much more senior brokers didn't want to play by the rules, and senior management allowed this to happen, we became frustrated and thought it might be time to leave and start our own business – one where the rules would apply to everyone equally – and would be enforced.

We thought that with our track record (funny that it was only two year and we thought that was a great track record) we could go to the bank, get a loan and open our shop. So we went down to Chemical Bank on Madison Avenue and asked our branch manager for a loan. “We want to start a brokerage business. We need a \$500,000 loan, where do we sign?”, we ignorantly asked our banker, Nancy Stockwell, who was the sweetest person!

Nancy looked at us, started laughing and said, “Hey, you know what guys? Go start your business and after you have a three-year track record come back to us and maybe we'll talk about giving you a couple of dollars.” We were completely dejected but we had no idea how the world worked at that time.

In those days, Paul and I ate breakfast and lunch together every day. Each day at breakfast, we would write down all of our deals, figure out how much we were going to make and how much we could put away to save up for our to-be-formed venture. It took us two years to save up about \$400,000 which was enough to allow us to start Massey Knakal.

The moral of the story is not to expect bank financing for a while.

Lesson #4:

Know What Business You Actually Are In

Right from the beginning of getting into the business, Paul and I realized that we were not in the commercial real estate brokerage business. Most brokers believe that in the investment sales business, you sell bricks and mortar, steel and glass. NO! What we actually sell is information - we are in the information business.

Information and the interpretation of that information – what it means today and what it foreshadows for tomorrow. And especially in the 1980s and 1990s, information was hard to come by and markets were not nearly as transparent as they are today. “Information” is sometimes viewed as a bad word. Most folks prefer “intelligence”. Either way, we are selling data, information and intelligence and the buildings that sit there are merely the delivery systems upon which the information is based. That realization that we were in the information business was the basis upon which we decided to establish a territory system.

New York City was far too big to know every single thing about every neighborhood, but by focusing on one area, we really got to know what made that area tick, who was buying and selling, what zoning changes were impacting value, what market rents were for each product type, etc. We were able to easily articulate to a potential seller that we knew their particular market better than anyone else and could advocate on their behalf, better than anyone, to convince buyers why they should pay more for an asset. This provided several benefits for us down the line. This also induced us to create very granular market reports, trend analysis, comparable sales reports and other tools that were valuable to our clients and potential clients.

And, importantly, those market reports were self generated. We never relied on third party information aggregators. Most data sets in commercial real estate stink – plain and simple. Even the biggest firms which spend millions on research have poor data. Create your own data sets that you personally verify and you create tremendous value in yourself and your firm.

Today, a product specialization along with a geographic specialization overlaid on it, is the best way to specialize, differentiate yourself from the competition and create a competitive advantage. Understanding what business we were really in was a key to how we established our platform, why we operated the way we did and why we were able to be the dominant platform in NYC for 14 years in a row. From 2001-2014, we sold more than 3x the number of properties sold in NYC than the #2 company. Focusing on, and really understanding

all of the information coming out of the market, allowed us to give our clients better advice. We were more informed, so they were more informed. This was real value for the client and at the end of the day, everything we do is about helping the client in any way we can.

So, after you read this: let me ask you, what business are you really in?

Lesson #5: Have a Game Plan

In the investment sales business, there are so many things a broker can do and can focus on. There are institutional sales, private capital sales, selling all of one type of property, selling loans, working in specific geographic regions and probably a hundred other ways a broker can specialize. You have heard me say a million times that specialization creates an easy way to differentiate yourself from others and that differentiation can, and normally does, create a competitive advantage. Once you decide what you are going to specialize in (Think Jim Collins' Good to Great, where he preaches coming up with the one thing you can do better than anyone else in the world and focus all of your attention and energy on that one thing.) Once you decide what your focus is going to be, come up with a specific plan with action steps, strategies and tactics (they are different) and then write that plan down and look at it every day.

Paul and I knew exactly what we wanted to do and how we wanted to do it. It certainly did not always go according to plan, you have to constantly adapt to a changing environment but must remain true to your core values and stay in your lane, but we always remained focused on the primary objective. We knew we wanted to only sell buildings (after 23 years, we got into mortgage brokerage also), only represent sellers (this never changed), work on exclusive listings (of the 2,251 buildings I have sold, I was the exclusive agent on 2,249 of them) and have a territory system that promoted unparalleled market knowledge and also encouraged people to work together.

This market knowledge was at a level that others, who were not as focused, could not possibly possess. Knowing those were the fundamentals with which we wanted to approach the business, we designed tactics and strategies to achieve those objectives. We came up with goals, metrics to measure and a day-by-day, week-by-week and month-by-month plan which allowed us to achieve our ambitions. We always had to-do lists, and we always focused on our one-year, three-year and five-year plans. This process falls under the heading of working on your business as

opposed to working in your business (which is what most brokers do all the time without stepping back to work on their business – and spending all of your time working in your business is easy as being so busy at work all day long is a given – it takes discipline to step back and spend time working on your business).

It really made a tremendous difference for us and if you take the time to formulate a well thought out plan, it will make a tremendous difference for you as well.



Lesson #6: Ask Senior People For Advice

One of the things I wish we had done more of in the early days was ask senior people for advice. Consequently, we did things by trial and error and made hundreds of avoidable mistakes. Fortunately, we did not make many of those mistakes more than once. In later years, we formed an advisory board at Massey Knakal which was made up of senior business people who we respected and trusted. They were people both from within the real estate business as well as Wall Street. This advisory board was extremely helpful to us and gave us ideas on how to improve the business and to avoid mistakes that delayed our success. Our advisory board members suggested new ways of doing things and encouraged us to get into new business lines – breaking away from our “investment sales only” model.

At first, we believed that people, some of whom could have been considered competitors, would be willing to give us advice. We began by setting up individual meetings with people we looked up to and, based upon how productive those meetings were, we were encouraged to set up our Board. Trial and error was greatly reduced and we were able to learn from much more experienced market participants.

The lesson, ask people who have experience in whatever it is you're trying to do or trying to achieve. Most of the time folks are very happy to share their knowledge and it's remarkable what you can learn from those who have been there and done that.

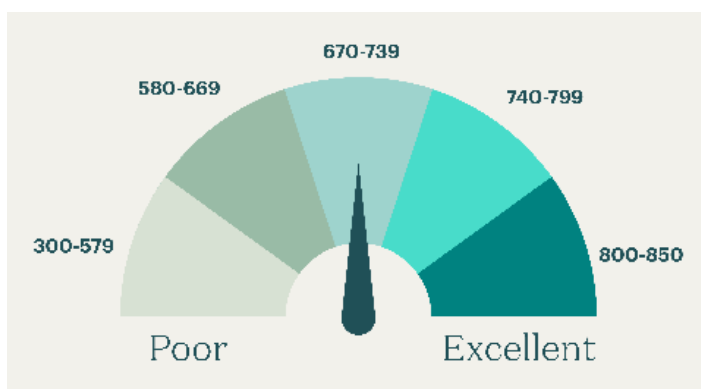
Lesson #7: Always Maintain Good Credit

This lesson seems like a no-brainer. Of course, you want to maintain good credit. However, without it, Massey Knakal would have never survived past 1990.

The real estate market in New York City, after the S&L crisis in 1990, was tremendously worse than it was during the Great Financial Crisis in 2008-2009. Market activity in sales had slowed to a crawl. No one had any money and sales volume was non-existent. At the time, I remember our overhead at Massey Knakal was about \$15,000 a month and we arrived at a point where we had no transactions under contract and only about \$15,000 left in the bank. Paul and I looked at each other and said, “What the heck do we do now? Do we pay all our bills next month and see what happens, hope something pans out? Do we pay \$5,000 of our most important bills for three months, keep the lights on and hope that gets us through? Do we go to Atlantic City and bet it all on black and hope it hits?” That last one is not bullshit, we actually considered that!

What we discovered while trying to figure out what to do, was that we both had really good credit. We went around to every bank in town and got as many credit cards as we could. A \$2,000 credit card at one bank, a \$4,000 credit card at another, and so on and so on. Between the two of us, we amassed \$60,000 in credit card lines. We made it through that downturn in 1990 and 1991 by borrowing against those credit cards. These credit card lines allowed us to run the firm for four months. Later on, we ran into other financial problems but during the worst of times, the fact that we had good credit allowed us to keep the doors open, at least temporarily...

Always make sure you maintain good credit. You never know when you will need it!



Lesson #8: Always Be Prepared for the Unexpected

Last week's lesson was to always maintain good credit. And that good credit was critical as we ran Massey Knakal on credit cards for quite a while. By the end of 1991, The S&L Crisis still had its hooks in the market and Paul and I found ourselves at a point where we, once again, had very little money in the bank. The credit card lines were run up to the max at \$60,000 and there were no deals under contract. We said, “Wow. We can't get any more credit because we're maxed out. We need a loan. We need money from somebody.” We had a client who we thought liked us very much – he was a property owner on the Forbes 400 back in those days, worth several hundred million dollars and we had done a couple of deals with him. We went to him, explained our situation and asked for a \$75,000 loan, a pittance for this very rich guy. Of course he would give us the loan, right?

He put his hand on his chin and replied, “You know what? I really like you guys. I'll give you the \$75,000, but I want 50% of the stock in Massey Knakal.” This was like Shark Tank, before Shark Tank became Shark Tank. Of course, we thanked him for the offer but left dejected with our chins against our chests, looking down at the ground all the way back to the office.

Later that day, we decided to reach out to Jack Holler, a very successful mortgage broker who owned a mortgage business out in New Jersey and also happened to be Paul's stepfather-in-law. We went to Jack to try and get the \$75,000 by offering him 25% of the stock in the business. To our disbelief, Jack said, “You know what? I'm going to give you the \$75,000. I don't want the stock. Someday, you're going to be very successful and you're going to regret giving me the stock.” It was an unbelievable thing that he did for us. We named our Massey Knakal Sales Person of the Year Award after Jack for doing that for us. We had no where else to turn and if it wasn't for Jack's generosity, Massey Knakal never would have made it out of the early 1990s. We will be forever grateful for Jack's kindness. Within two years, we were able to pay him back, and pay off the credit card debt. The RTC forced banks to sell assets and that was the catalyst needed to pull us out of our financial trouble.

We walked into that rich client's office without a doubt that he was going to give us the \$75,000, without ever thinking he was going to want half the business. You have to be prepared for things that you might not expect.

Lesson #9: **Realize That Your Main Assets are Your Staff & Reputation**

When it comes to a service business, your reputation and your staff are the two most valuable assets that you have. From our first days working together, Paul Massey and I always were super-conscious of our reputations. We never wanted to lie to anyone, over-promise something to a client or let anyone down. One of the nicest compliments we ever got was from our partner, Tim King, who ran our Brooklyn office and once, when introducing us at a charity event at which we were being honored, said, “Please meet my two partners, Bob Knakal and Paul Massey, two men who say what they mean, and mean what they say”.

Being honest and straightforward with your clients and your colleagues is critically important. Whenever you are faced with a dilemma and wonder what decision to make, always remember to do the right thing, even if no one is looking. Doing the right thing when everyone will know, and, more importantly, when no one will know, is the hallmark of good business practice. It might be the toughest path to take, it might not make you money right away, but if you keep your reputation in mind, it will always come back to you.

Once you lose your reputation, it’s nearly impossible to get it back.

Also, you must always make sure you treat your people like the very valuable assets they are. People want to feel important and that they are accretive towards the company achieving its goals.

Paul and I were usually the first ones in the office and we would often sit at our desks and wondered what would happen if no one showed up to work. We used to say that our assets got on the elevators every day and, without them, we had nothing. We did everything we could to create a culture where everyone felt important and appreciated. And we did truly care about our colleagues. One of the things I am most proud about regarding the Massey Knakal experience was the tightness of the group. Whenever an employee would get married, there would be dozens of employees there. 15 employees would get a beach house together for the summer. And the examples go on and on.

I was recently at an old MK employee’s wedding and not only were there about 20 old MK employees there, three were in the wedding party.

Realizing that the people you work with and your reputation are two of the most important things in the world, is a tremendous lesson that we learned.



Lesson #10: **Rules Must Apply to Everyone Equally**

Every good company has an operating platform that works for them. Most have a set of rules and protocols within which members of the company operate. These rules and protocols may include who works on what type of transactions, how certain tasks are handled, and how the salesforce interacts with its client base and with each other. These operating norms set expectations and provide parameters within which behaviors are managed. It’s very important that the rules of any organization apply to everybody equally.

What the specific rules are vary by company and different companies benefit from different parameters. We are not necessarily advocating for one over another. The point is that there should not be special deals for any individual such that all participants with the organization feel as if everyone is on a level playing field. Our old territory system established guidelines for commission sharing between agents depending upon where originated properties were located. This protocol encouraged, and in some cases required, folks to work together. For us, that helped insure that the team handling the transaction was the best team for that particular transaction and for the best interest of the client. The rules that applied to Paul Massey and I were the same rules that applied to a new employee who was just starting out. Everyone had the same opportunities, protections, rights, commission splits, ability to access support, the same everything and that worked very well for us. It kept disputes between salespeople almost non-existent, and that was because there was both a perceived and, more importantly, an actual level playing field for everybody.

Lessons #11 & 12:

You Need to Differentiate Yourself & Create a Competitive Advantage

This lesson has everything to do with specialization, and specialization is the key to success in the commercial real estate business. Why? Because as brokers, we have two main assets: our knowledge and our time. Over the course of our entire career, we continue to increase and improve our knowledge. We are always reading, listening, speaking to market participants and, thus, learning new things all the time. But we cannot make more time. We can use time more effectively and efficiently but we just can't make any more of it. Therefore, specialization is a key to leveraging time.

For nearly all of my career, I have specialized geographically as opposed to being a product specialist. In a dense market like New York City, I feel like this was not optimal. Product specialization is more important than geographic specialization. However, I think the two go hand in hand. The primary focus should be on product specialization with a geographic specialization layered on top of that.

The key to specialization is to select a focus that is narrow enough so you can demonstrate and articulate a granular knowledge of your area of specialization while being large enough to make a great living. You could specialize in all apartment buildings on one single block. You will know those buildings better than anyone else but the market size is not nearly large enough to make a great living. Rightsizing the area that is being focused on is the key.

Specialization is the easiest way to differentiate yourself from the thousands of other people that do what you do and this differentiation creates a competitive advantage. Our territory system at Massey Knakal created a competitive advantage but was based solely on geography. By saying we only handled sales, only handled sales in a certain area and only represented sellers, it gave us an advantage. This advantage accelerated our learning curve and was particularly valuable to new salespeople coming into the industry. In retrospect, layering on a product specialization would have been much more productive for everyone in the platform.

Lesson #13:

Confront Brutal Reality Directly

One of the most important things we can do, especially when times are challenging, as they are now, is to look reality square in the face and make decisions thoughtfully. See your reality clearly and don't expect things to change without your intentional action.

One of the great examples of implementing this strategy of confronting your brutal reality head on was Admiral James Stockdale, the highest ranking naval officer to be a prisoner of war in Vietnam. He was in captivity for eight years and came up with what's known as the Stockdale Paradox. The Stockdale Paradox, in part, says that you have to look brutal reality in the face and confront it. Don't delude yourself. During his imprisonment, he saw several of the prisoners saying things like, "Oh well, Thanksgiving's coming, hopefully we'll be out by then." Thanksgiving came and went and they didn't get out, so they'd say, "Well, Christmas is coming, maybe we'll get out by Christmas." Christmas came and went and they were still imprisoned. While they felt dejected and were losing hope, Admiral James Stockdale thought, "Look, this is my reality and I'm going to face it. I'm not going to get out for a long time and I'm going to deal with my day-to-day situation."

There are ups and downs, pros and cons, good things and bad things in everything we do. In challenging times, it's important to see what your circumstances are, understand them for what they are, come to terms with viable options and have the discipline to make tough decisions that you know will help you achieve your objectives.

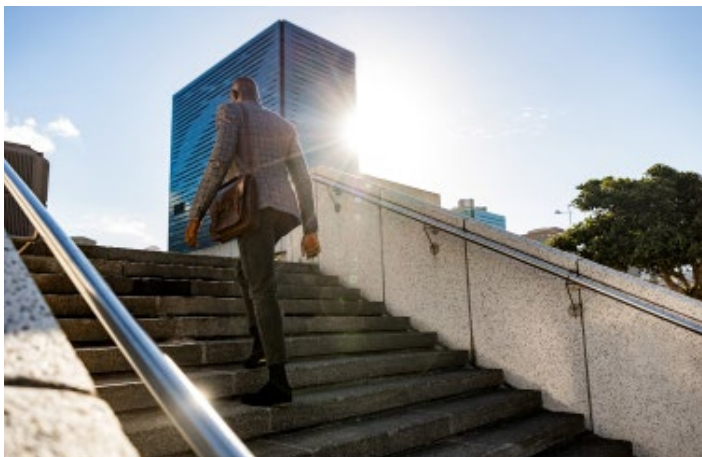


Lesson #14: Have Faith That You Will Succeed

A positive mental attitude is critically important in any endeavor that you want to turn out well. When Paul and I started Massey Knakal in 1988 I was 26 he was 28. I often say if we knew then what we know now, we never would have started the business because we didn't realize what we were getting into. While that is not completely true, there certainly are challenges in any business venture and there are several components to making it through challenging times. In addition to passion, determination, discipline, sales skills and market knowledge, having the faith and confidence that you will succeed is required. This should not be confused with bravado or conceit, it is just a quiet determination and steadfast belief that you will succeed.

Back in those early days, we had faith that we would succeed. We really didn't know enough to know what we didn't know or to know exactly what we were doing. We knew we had an approach that we thought made sense with our territory system, and we knew we were going to work very hard. What could go wrong? Little did we know all of the pitfalls and speed bumps we would encounter along the way. Notwithstanding all of those drawbacks, we maintained that positive attitude and faith that everything would work out. Over the years, especially in those early years, we made hundreds of mistakes but fortunately, did not make many of those mistakes twice.

The positive mental attitude was a key element in putting us in a position to succeed. And it is important to remember, no matter how good you are, challenging times are a reality and we are going to face them. Having the belief that things are going to work out will help get you through those challenging times.



Lesson #15: You Must Be Willing to Delegate Responsibility

We all have a million things to do, therefore, you must be willing to delegate responsibilities to others. I remember for the first 12-14 years I was brokering, I was operating independently – doing everything myself. I remember when I hired my first transaction associate, the first thing I asked them to do was stuff a mailing.

This was before the email days and he kind of looked at me like, “You want me to stuff a mailing?” and I said, “Do you know how many hundreds of thousands pieces of mail I’ve stuffed in my career? I’ve gotten more paper cuts than anybody I know. You have to stuff that mail.” That made a lot of sense because, at that point in my career, I shouldn’t be stuffing mail. Today, I have a team of people who help me with things that have to get done but I don’t necessarily have to be the one to do them. I have administrative assistants who do everything for me, from making reservations, answering the phones, picking up my dry cleaning, making dental appointments, you name it, they do it. The less time I spend doing those things, the more time I spend helping clients and selling buildings.

Jon Hageman is my right-hand man and my partner who has run my team for over 20 years. We have analysts, public relations and marketing directors and transaction associates and we would not be as productive as we are without this group alongside us. Don’t be afraid to delegate. Don’t be afraid to bring someone on to help too early. I would say, if you’re going to make any mistake, make the mistake of hiring somebody too soon rather than waiting too long, because the leverage that you attain by having people help you and work with you really changes your life dramatically. In the MK days, Paul and I initially did everything and every time we created a new position – HR Director, CFO, COO, IT Director, the boost the company got was tangible.

The most important lesson here is to figure out what things you do best and try to spend as much time as possible doing those things. Have someone else do as many of the other things as possible that need to get done.

Lesson #16:

Hire the Best People and Invest in Them Through Continued Training

At Massey Knakal, we believed in hiring the best people we could possibly hire and investing in them through continued training. Even Warren Buffet has said, when you find a good quality person, even if you don't have a position for them, bring them on and figure out a spot for them.

Back in the 1980s when I started, it was commonplace that a broker's training consisted of "There's your desk, there's your phone, go make some deals". Things have changed quite a bit over the years.

Back in the old days, we believed in training so much that we wouldn't even let new hires pick up the phone until they:

- Took photos of every building in their geographic territory.
- Created a data base of every owner of every building in the territory.
- Made a list of the top owners by square footage and by number of buildings owned.
- Studied every comparable sale in the territory for the past 3 years.
- Read through and studied our training manuals.
- Could prepare a BOV on a hypothetical building.
- Gave a pitch, articulating our marketing program to a panel of company partners – and getting a passing grade.

After all of this was done, the producer earned the ability to pick up the phone and try to do business.

We had three extensive training manuals, totaling about 400 pages, that taught people the business and encouraged people to learn different things. We hired a Director of Training to run weekly session for groups and conduct one-on-one training of our program and approach.

The lesson: Invest in your people through training and invest in yourself to constantly get better. Take that extra class, become an expert on tax, do something that is going to improve and expand your skill sets to become a better practitioner. Investing in people also makes them feel like you care about them. People love to work where they are cared about and know they are valued. That's the difference between a true team and a group of mercenaries.

Lesson #17:

Clearly Convey the Company's Core Values to Make it Clear What we Believe in and What we Stand For

Our core values at Massey Knakal were passion, integrity, excellence, and responsibility. Let's take a look at each of those:

Passion to love what you do. This is perhaps the one quality we have seen in those who rise to the absolute top of the commercial real estate business. Regardless of how capable or qualified we are, we all are going to experience tough and challenging times and it is that passion that will get us through those tough times.

Integrity to communicate honestly and directly with the people we are dealing with. We should treat our clients like they are our family members. Be honest and think about what advice we would give our moms or dads if they were the client.

Have a drive and desire for excellence in every phase of our lives. Excellence shines through. Dare to be great, to know our trade better than competitors and to be able to tangibly demonstrate that value proposition to our clients.

And finally, responsibility. Responsibility to our families, to our co-workers and to the communities in which we live. Do the right thing for those you care about. And give back to our communities in any way we can. Remember that while monetary contributions are great, donating our time to the causes we care about is invaluable.

The reason that we wrote those down was because it is very important to clearly convey what your core values and beliefs are. We had plaques made which were posted in the reception area of each office. Why, because not only did we want each and every one of our employees to understand what it was we stood for, but we wanted each client to understand our core values also. If any of our folks were faced with a tough decision or a predicament, we asked them to look at that decision through the prism of our core values and preached that the tough decision would be easier to make if the core values were taken into consideration.

What do you stand for? What do you believe in? When people feel like they're part of something and stand for something, they're really excited about it. I think that's a tremendous aspect of any organization, provided the core values are clearly articulated to everyone, particularly senior members of the team, reinforce the core values by living them.

Lesson #18:

Be Passionate About What You do

Famous British novelist, Edward Morgan Foster said, “One person with passion is better than 40 people merely interested.”

Over the years, we have seen many people come and go, into and out of this industry. We have literally hired hundreds of brokers and have seen the entire range of outcomes from within that set of brokerage prospects. I am often asked if I had to identify just one trait or characteristic that separates those who succeed from those that don't, passion would be that quality.

Whenever I speak in front of students, I always tell them to expose themselves to as many things as possible. Find out what it is that drives them, that they are really passionate about. I advise them not to take a job because they think they're going to make a lot of money. Choose a job that you love, that you have passion for. Passion provides two things to people that are invaluable: 1) it will allow you to work as hard as you need to work to succeed, and, 2) it will provide that necessary intestinal fortitude which is essential to making in through the challenging times that everyone will inevitably encounter. And that is a key point to remember, particularly today, and that is that no matter how good you are, you will encounter tough times, tough circumstances, tough markets. Passion will allow you to push through the challenges to emerge stronger than before.

If you're passionate about something, you'll work really hard at it. That hard work will increase the probability that you will reach the top of your field. That's true whether you're in commercial real estate, sell ocean liners, write poetry are a teacher or get involved in the music industry. And if you reach the top of your field, you're going to make a lot of money. Do what you love, do what you are passionate about, your days will be too short, your life will be happy and great successes will be at your fingertips! It's all about being passionate about what you do.



Lesson #19:

Have a Long-Term Perspective

Rome wasn't built in a day.

Our building sales business is, in most cases, closing deals. It's easy to say, “Well, let's just get this deal done and move on to the next one.” We get it – you need to make money and it is very tempting to go for the quick buck, the quick deal and the easiest transaction to do.

However, it's not about getting things done quickly or how soon you can cash a check. It's about the client, what they want and what's in their best interest. In good times, when the market is humming along, results are going to be positive and our seller clients are going to be happy. In tough times, many will not be happy and it could very well be that telling them NOT to sell now, is what is in their best interest. Don't think about how quickly you can cash a check. Think about what's best for the client. To make this a bit easier, think of the client as you mom or dad. What advice would you give them?

In order to think this way, you must have a long-term perspective on what you are doing. Some of the best relationships we have with clients began with us telling them not to transact. Those clients have greatly appreciated that advice and have almost always come back to us to sell their property at the right time. And when people know that you really have their best interest in mind, you will become their trusted advisor for life. Isn't that that the ideal position to attain relative to your clients?

Having a long-term perspective allows you to easily sacrifice short-term gains for much larger long-term benefits. Short-term gains often involve taking short cuts. Taking short cuts often involves bypassing doing things the right way. Having a long-term perspective, i.e., realizing that this business is a marathon not a sprint, helps you to always do the right thing every time, even if nobody is looking, or no one will ever know what you have done. Having a long-term perspective leads to far greater, and sustainable, successes down the road.

Lesson #20: Know Your Strengths and Weaknesses

When it comes to personal growth and introspection, there is hard to find a better exercise to do than to understand our strengths and weaknesses.

If we write down a list of our strengths and weaknesses, we typically come up with a long list of strengths and a shorter list of weaknesses. This is human nature but understanding our weaknesses is actually much more productive for growth than understanding our strengths.

If we are honest with ourselves, our weaknesses should be much more numerous than our strengths. If they aren't, we're probably not really being honest with ourselves. No matter how good we are doing at something, we could always do better!

It's important to know our weaknesses so we can work on them, try to get better at those things and improve our productivity and performance. For me, understanding and using technology has always been a weakness. I have tried hard to use technology in better ways and more frequently but it has always been a challenge for me. Therefore, I have made sure to have folks around me who understand and use technology much better than I do (not that its that hard as almost everyone is more proficient than I am). When looking at our list of weaknesses, we can proactively come up with action steps to improve in each of those areas.

After focusing on making those improvements, we can try and make our strengths even stronger.

Writing these down and looking at the lists regularly is very important if you want to make progress here. Being proactive about making these acknowledgements and determining what to do about them, will profoundly change the results that we get in everything we do.



Lesson #21: Clients' Interests Always Come First

Being a real estate broker puts us in what my broker coach, Rod Santomassimo, refers to as "the whirlwind". If you have been in the business for more that a year or two, you likely have enough going on with active deals, prospecting, networking and content creation that you can never get everything done in a day that you want to. Having little to no free time and a to-do list much longer than you can possibly get done, it might be tempting to take shortcuts and just try to get deals closed at any cost.

This dynamic is exacerbated in times like this where transaction volumes are down, we are working twice as hard to make half the money and, let's face it, we all have bills to pay. This combination of circumstances is not ideal when you need to put the interest of someone else above your own interests. However, if you are going to do the right thing, and want to be a successful broker for the long-term, you must put your own interests aside and think about what is in your clients' best interests.

The best way to do this is to ask your clients a lot of questions. Listen intently to what their objectives are – those objectives often go way beyond just getting a deal done.

Over the years, we've told clients not to sell their buildings for a variety of reasons, including waiting for the market to change, waiting until more leases were signed, waiting until certain corrective renovations were completed, waiting until certain environmental or other due diligence was completed or certain other circumstances change. Why did we do that? Because after fully understanding the clients' objectives, it was in their best interest not to sell immediately.

The relationship that you will have with those clients is likely to grow much stronger than with any other clients, because they looked at you and say, "You make money selling buildings. Why are you telling me not to sell?" and you'll reply, "Because I really don't think you should, it's not in your best interest to sell now, and here's why..."

Those people almost always came back to us when they decided to sell, and I think they really appreciated what we did for them. Always keep your client's interest first. If you don't, the client will know immediately. If you do, you will have a client, and friend, for life.

Lesson #22: Hard Work is Essential

We always used to joke around at Massey Knakal by telling potential employees, “If you come to work at our firm, you only have to work half a day to be successful. We don’t care whether it’s the first 12 hours of the day or the second 12 hours of the day. But you have to work 12 hours a day to set yourself apart in this business.”

The need to work hard is one of the main reasons why passion for the business is such an important component of a broker’s characteristics. True passion, a love for the business, a willingness to be proud to be a salesperson, is the characteristic that will allow a broker to continue to grind when times get tough. And no matter how good you are, you are going to face tough times. Passion will give you the intestinal fortitude to continue to work hard during those tough times and persevere.

And it is also important to differentiate between working hard and working smart. Another way of thinking about working smart is to make sure you are working efficiently. Take advantage of technology and spend time doing high quality, important tasks that have a great ROI – Return on Involvement.

Hard work in commercial real estate also involves putting hours in on the weekends. And, yes, work / life balance needs to be taken into consideration, but weekends are great for working on your business, as opposed to in your business, without the threat of getting caught up in the what my broker coach, Rod Santomassimo, refers to as “The Whirlwind” – the craziness that we generally exist in Mondays through Fridays.

Hard work is essential – there is no way around that, but if you love the business the way most people in our industry do, it won’t feel like hard work at all.



Lesson #23: Making Mistakes Is Okay - Just Don’t Make the Same Mistake Twice

Making mistakes is okay, just don’t make the same mistake twice, or at least try not to.

Over the years, because of the trial and error approach that Paul and I went through in running the business, we made thousands of mistakes – almost any mistake you could possibly make in commercial real estate, we made. I believe we did a pretty good job of learning from those mistakes and making sure we didn’t make them again.

We could have avoided making many of those mistakes by seeking out the advice of more senior people in the business but we were not insightful enough to do that – especially in the early stages of our careers. Later on, we formed an Advisory Board of some of the most accomplished professionals in commercial real estate as well as business leaders. Their advice was instrumental in helping us grow the firm and not make many mistakes we would have made without them.

Making mistakes is not so bad also means you are probably pushing yourself and getting out of your comfort zone. That’s a good thing – keep pushing yourself to do better than your best. Try new things and push yourself. Greater things can be achieved than you can probably imagine. Go for it. Learn from your mistakes and achieve results beyond what you ever thought you could achieve.

Lesson #24: Have Courage

This week's Nugget is simple enough but no less important than others. The business of real estate brokerage throws a lot of curve balls at you, and there are always things that are going to go wrong. This is in good times or bad. Today, things are challenging all over the nation in our commercial markets. Getting deals closed feels like a struggle on many fronts.

There are times when we look at our pipelines or our deal flow or how our business is performing and things will look a little challenging. Most of us know what our burn rate is and have a schedule of when we expect our deals to close and try to manage our cash flow. This process can create stress and anxiety.

When you are feeling this way, it's so important to always have courage and believe in your heart that things will work out. Courage will allow you to face those challenges head on, put your best foot forward when trying to succeed and will give you the ability to continue to do what is in your client's best interest and not be tempted to take short cuts.

And to help you have courage, remember this: the market always has been, is, and always will be cyclical. Its down now but I guarantee that it will bounce back up at some point. And if you believe that the response is proportional, ie, the harder it gets hit the more robust the recovery will be, we should be in for one heck of a recovery!



Lesson #25: Realize that Honesty and Integrity are at the Core of Business Success

This Nugget is going to sound corny, but its true. Honesty and integrity are among the most important characteristic market participants can possess.

The opportunity for honesty comes at many points within a broker's day: talking to clients about the market, talking with colleagues, advising potential clients about the value of their property, etc. etc. The thing that we all must remember is that being untruthful can be smelled from a mile away. Your reputation is the most valuable thing you have in a service business and once you tarnish your reputation, it is extraordinarily hard to regain a good one. Be truthful – its much easier, and you will never have to remember what you say to anyone.

Integrity is formally defined as: “adherence to moral and ethical principles; soundness of moral character; honesty.” I define it as simply doing the right thing. When dealing with others, treat them with respect and treat them the way you would like others to treat you. And doing the right thing certainly applies when everyone will know what you have done and, more importantly, should apply when no one will ever know what you have done. Integrity is something that you live with every day – you should be feeling good, and at peace, with the decisions you have made each day when it comes to dealing with others.

As a broker (or even an investor) you must keep your client's best interests in mind and realize that if you're honest with them and you have integrity by doing the right thing even when nobody will ever know what you did, it will come back to serve you and your business well.

In business, I believe nice guys and gals finish first. Do the right thing!

Lesson #26:

People Talk to Who They Know and Like, but Work With Who They Trust

I've learned over the years that people are happy to chat with those who they know and like but will work with those they trust. What I mean by that is twofold. One side is the people within your organization and the other side is you clients and potential clients.

It's important to be liked by them and like them in return. Within your organization, you want to be liked and appreciated. If you are at a firm without a strong culture, help to create one. If you are at, or are joining, a company with a strong culture, jump in with two feet and get on board with the culture or your life internally will not be fun - and the operation won't work optimally for anyone. Not you and not those around you.

For clients, as a broker, the best thing that can happen is that your clients like you so they will talk to you and as your relationship grows with them, you are able to build trust. How do your clients get to like you? Well, you need to connect with them and the best way to do that is by finding a common interest. I think you can find a common interest between any two people if you ask enough probing questions in order to really get to know them. I have several clients with whom every time I talk to them, we talk about a non-real estate topic such as the New York Rangers or a new wine we've discovered, whatever the case may be.

Try to find something that you genuinely like about a person, because people talk with who they like. On the aptitude scale of a real estate, if zero represents somebody who doesn't know anything about real estate and 10 is a professor of real estate who is the greatest practitioner in the world, you can't get by being a 3 or a 4. You have to be a solid seven or an eight and if you are like able, you will win business almost every time over the person who is a 10 if they are not likeable and you are. Work hard at getting to know people, connecting with them on a real basis and being like-able!

Then, you have to be trustworthy. The best way to be trustworthy: say what you mean and mean what you say. Under-promise and over-deliver. Be on time and follow through on your promises. If you are liked, you can build trust and if you build trust, you can win business!

Lesson #27:

Have a Value Proposition You Can Articulate Well and Succinctly

As a market participant in the real estate business, or any service business for that matter, it is important to be able to easily explain to people what you do and what makes you different from everyone else.

I can't tell you how frustrating it is to talk to people who are trying to sell me something - either a product, a technology, or a service—and after 8 minutes I still have no idea what the product does or what the service is that the person provides or wants from me.

Be clear, concise, and easy to understand. For many years, the value proposition for Massey Knakal was: We only sell buildings, we only represent sellers, we only work on an exclusive basis, and we only work in New York City. It takes about eight seconds to say that, and is anything about it unclear or vague? You may want to tag onto that a deeper, but shorter, explanation of capability with regard to a specific service you want to convey to the person you are speaking to - but make it simple. Most Americans communicate, both verbally and in writing, on a fifth grade level. Don't complicate things.

Your value proposition should also explain what makes you different from everyone else. You know that we preach that specialization is the easiest way to differentiate yourself from everyone else and that differentiation leads to a competitive advantage. It should convey to people what you do and how that might be different from what everyone else does, or how they do it.

When I first met StripMallGuy, I asked him what he did and his response was, "We purchase strip malls around the U.S. and create value through proactive leasing and management." That takes less than five seconds to say. A perfect value proposition!

The better your ten-second (or less) value proposition is, the easier it will be to have people understand what you do and how you do it.

Lesson #28: Become a Great Public Speaker

In order to effectively communicate, which is an essential element for anyone working in a service business, it is important to be a confident public speaker. This will enable you to be more comfortable at networking events, will allow you to give speeches at seminars and conferences, and, most importantly, will serve you well when presenting your proposals to potential clients.

Interestingly, several studies have found that the average person is more afraid of public speaking than of dying. As Jerry Seinfeld jokingly says, “So people attending a funeral would rather be in the coffin, than giving the eulogy!”

I speak in public frequently, and people tell me that I present well and seem very confident. This was not always the case. Back in 1993, I was a member of the National Realty Club and was asked to serve as the Program Chairman, which was a two-year position and was the prerequisite for becoming president of the organization. As Program Chairman, my role was to procure speakers for our monthly luncheons and then introduce them prior to their presentations.

The first speaker I had to introduce was the legendary Harry Helmsley. Although I had been in the business for about 8 years and had already made hundreds of “pitches” to clients, I had never spoken in front of a large group of industry people before. In those days, the NRC luncheon routinely got 150 attendees, and given the prominence of Mr. Helmsley, there were over 200 attendees at this one.

I remember being so nervous to get up to make the introduction for the first time. I was wearing a light blue shirt, was sweating bullets, and upon my arrival back to my office after the luncheon, I took my jacket off, revealing two huge dark blue sweat stains under my arms. The next month, I was just as nervous but, smartly, wore a white shirt that day!

After about a year of doing this, I began to get more and more comfortable and today, speaking in front of large crowds is a very comfortable thing for me.

To get comfortable speaking in public, you don't have to go through the same torturous process that I went through. There are organizations, like Toastmasters, that teach skills for speaking in public. Becoming a great public speaker is sure to help your business in a variety of ways and is highly recommended.



Lesson #29:
**Think “Relationships” Rather
Than “Transactions”**

The commercial real estate business is a people business and market participants – brokers, investors, developers, bankers, lawyers, etc – need to remember that this business is about relationships, not transactions. More often, and more consistently, relationships lead to transactions, not the other way around (although, new relationships can, and should, grow out of transactions).

Your relationships will lead to transactions and we should try to have each transaction we complete be a recommendation for the next. Get a testimonial from each client who will provide one and use that to create another relationship. Continuity of this practice builds reputation, and reputation, for better or worse, becomes part of what you bring to the table.

Our field has its share of quick deal artists and folks who successfully move from deal to deal, and that approach is difficult to maintain over the long-term. But there are also role models who built careers doing their best to “give fair value” and personally valued the relationship more than the transaction. I think of the titans of our segment of the market like Henry Hart Rice, Louis Smadbeck and Steve Siegel who were, and are, shining examples of men who acted with the highest moral character, developed friendships with their clients and were among the most successful brokers in the City’s history. There are prestigious awards named after two of them. For Henry, it is REBNY’s Most Ingenious Deal of the Year award and for Louis, it is the Brokerage Lifetime Achievement award. They were trusted because they proved to be trustworthy. I’m sure there will be an award named after Steve at some point in the near future!

The great brokers in our world focus on relationships and being trusted. People work with people they know, like and trust.

Wouldn’t it be nice to be recognized as one of the top people in our industry? Focusing on the relationship, as opposed to the transaction, is one way to help get there!!



Lesson #30: **A Broker Has Two Main Assets – Knowledge and Time**

Within the brokerage industry, participants have to possess many attributes that will increase their probability for success. Among many are passion, tenacity, work ethic, likability, discipline, public speaking skills, ingenuity, being able to adapt quickly as well as a host of other traits.

With regard to assets the broker possess, two of the main assets are knowledge and time. Knowledge almost always revolves around market knowledge – knowing all of the ins and outs of the market segment the broker is specializing in such that they can very succinctly and comprehensively provide clients, potential clients and market participants with a clear overview of what is happening in their market segment. Base knowledge is acquired in the first couple of years and is increased every day for the rest of that broker's career. They also continue to acquire market knowledge over time by constantly learning and adapting to changing market conditions.

Time is something that you simply can't make more of so utilizing that time as effectively and efficiently as possible is critically important. Back in the mid 1980s, we organized our old company on a geographic basis, doing sales of all product types within that geographic territory. Publicly available information was scarce and inaccurate and getting to know every detail of a neighborhood was a major differentiator. Today, with information so readily available, product specialization rules the day. There should be a geographic parameter collared around the product specialization but product should be the main focus.

Think about it this way: last week you sold a hotel, an office building and an apartment building. This week you are pitching an apartment building. That seller doesn't care about your hotel sale or your office sale. They want to hear about your apartment building sale. Two-thirds of your efforts last week were not accretive towards this week's opportunity. If you had sold three apartment buildings last week, 100% of your efforts were accretive towards winning this week's deal. You just leveraged your time – one of your biggest assets.



Lesson #31: **Be Able to Correctly Answer: “How is the market?”**

By far, the most frequently asked question of any broker is, “How is the market?” If you are actively prospecting, and heaven help you if you are not, you will be speaking to at least 10 principals every day. Many of them, if not all of them, are going to ask you this question. Being able to answer that question “properly” could be a key to your success.

The ability the broker has to properly answer that question comes down to the market knowledge that broker has and their ability to articulate that market knowledge in a way that folks can easily understand. Market knowledge comes in the form of knowing your market on a granular basis. For example, how many properties are in your market? How many sell each year? What was the dollar volume of sales? What was the average price per square foot? How do those metrics compare to last year? the year before? The peak of the market? The trough of the market? You should be in a position to answer the golden question, “How is the market?” with statistics, not adjectives. To say that “the market is on pace for 653 sales this year, which would be down 46% from last year and 72% from the peak of the market” sends a very clear message to the listener and leaves them believing you are a market expert. How much better is that than saying, “Boy, the market is way down”?

You also want to know things like, who owns the most buildings, who owns the most square footage, who purchased the most buildings in the last five years? The more you know the easier it is to demonstrate that you are a market expert. Specializing in a specific niche allows you to differentiate yourself from everyone else operating in your market and that differentiation leads to a competitive advantage – something we are all looking for.

Lesson #32:

Never Use “Honestly” or “To tell you the truth” to start a sentence

What we say and how we say it makes an impression on people. When we are in front of people, it is not only about what we say. It is the tone of our voice, the emphasis we place on words and the emotion that comes through in what we say. Our body language says a lot also and makes an impression on the listener. When we are on the phone and body language cannot be conveyed, what we say becomes even more important as body language is taken out of the equation. The words we use and how we say them can have big implications on the way our words are heard and interpreted.

Sometimes, when people are trying to emphasize a point, and show what they are going to say might not be an expected statement, they begin with “Honestly”, “Quite frankly.. or “To tell you the truth..” What does this convey to the listener? This is a terrible way to talk to people because the implication is that without that qualifier, the speaker is lying – or at least could put a bit of doubt in the listener. If you tell the truth all the time, there is no need to emphasize that you are indeed telling the truth. People will talk to who they know and like and will do business with people they trust. Using qualifiers like this at the start of a sentence does not enhance trust and may have the opposite effect.



Lesson #33:

It's Not the Effort That Matters, It's Where That Effort is Directed

I love the expression, “We can only control our effort and our attitude.” While this is true, where we direct our effort is critically important.

If we think about all of the things we do each day, we can disaggregate all of those activities into three different buckets: 1) what is an essential revenue producing activity, 2) what is necessary but not critical and can be delegated to others and 3) what we do that is not important and should not be doing.

Our essential revenue producing activities should be our focus and the majority of our efforts should be directed towards those activities. Prospecting is one of those essential activities that should definitely fall into that bucket. Transaction implementation and execution is another.

It is also important to determine which activities can be done by others and can be, and should be, delegated. In order to do this effectively, we need to make sure we have the proper support team around us to handle all of those tasks.

And then it is even more important to minimize, or eliminate, the time spent on low value tasks that don't need to be done.

Most studies show that 20% of the tasks we do are truly essential while 80% can either be delegated or eliminated. While this may not be what you are experiencing, it is something to consider and we should be very concerned with how we are spending our time and what we are doing.

So we are in complete control of our effort but also need the discipline to make sure that effort is directed on the most essential tasks.



Lesson #34:

Work “on” Your Business on the Weekend

If you have been in the commercial real estate business more than a year or two, you probably have enough going on each day that you barely have time to breath. Answering calls, responding to emails, showing properties, meeting with clients and potential clients, attending networking events, making prospecting calls and so on. There is so much going on that we feel as if we are caught up in what my broker coach, Rod Santomassimo, refers to as the “daily whirlwind” of working in our business. The whirlwind can total consume us – leaving little time to do anything else. And rightfully so as we make money when deals close and we are constantly working to get those deals closed.

Even if we are proactive while swept up in the whirlwind, (and the importance is being proactive we have discussed and discussed), it is a challenge to be proactive even if we allocate time to be so, we can get so busy we are hardly capable of taking a step back to look at our business from 40,000 feet as making deals takes over our daily priorities and activities. It is extraordinarily important to find time to not only work “in” our business but also “on” our business.

Working on our business includes coming up with strategies and tactics that we need to devise and employ to achieve our goals and objectives in order to get where we want to get to. Those strategies and tactics include what we are going to do, how we are going to do them and why we want to do them. This requires thoughtful contemplation which is nearly impossible when we are in the whirlwind. The weekends are a perfect time to work on our businesses. The wind has calmed down and we can think clearly without the stress of having to perform in our business during the busy weekdays. We should all pick some time each weekend to think about where our businesses are heading, where we would like them to go and how we are going to get there.

Working on our businesses will allow us to get where we want to get to intentionally, rather than accidentally. Be intentional, be thoughtful, decide where you want to go and what you need to do to get there and your potential is limitless.



Lesson #35:

Networking Is an Important Part of Real Estate

There are many forms of networking, all of which are important within the commercial real estate business, if you want to be top of mind with market participants and grow your sphere of influence.

Sphere of influence has a couple of different definitions, and one is described as “an area in which an individual or organization has power to affect events and developments”. The way I am using it is to have influence over getting invited to participate in competing for a piece of business and potentially winning that piece of business.

As I have said many times, within the private capital world of investment sales, it’s not who you know, it’s who knows you. One of the best ways to get known is to be out Networking all the time such that many people get to know you, and you get to know them.

Networking is traditionally thought of as going to real estate conferences, seminars, and social events. While those are excellent ways to network, networking can be as simple as having a cup of coffee with a potential client or a meal. Social media also presents an excellent way to network and get to know others and have others get to know you.

For many years, my networking goal has been to participate in 261 networking events per year – that’s one for every working day. There are some days when I don’t have any and others where there could be three or four. The important thing is to proactively focus on participating in these networking activities.

An important aspect of these activities is to make sure you get contact information for everyone that you meet and put them on some sort of contact list. Meeting someone, getting to know

them, and not proactively following up with them regularly in the future defeats the purpose of meeting them. We all want to remain “top of mind” such that when people decide they want to, or need to, transact, they think of us. The best way to ensure that is to make sure you’re keeping in touch with people. I wish that the technology we have today was around at the beginning of my career as the ability to keep in constant contact with folks was much more difficult back before the technologies that we have today existed.

Proactively come up with a networking plan, and do everything you can to try to achieve your goal. You will increase your market presence and grow your sphere of influence.

Lesson #36:

Just Because Something is Self-serving, Doesn't Mean it's Not True

I have said that over the years, some of the very best relationships that I have made began with me telling a potential seller NOT to transact. There are a variety of reasons why this perspective could be valid. A new development is going to be announced that will change the neighborhood, city planning is going to announce a new rezoning that is going to tangibly impact property values, there are trends in the market that make selling at that particular time sub-optimal and, of course, just simply being that market conditions, for a variety of reasons, just don't support a sale at that particular time.

Under those conditions, when we advise clients not to sell, they are generally surprised that brokers who make their livings by transacting, are suggesting the reverse. Surprised, and appreciative. There may have been an instance when we advised a potential seller not to sell where they didn't come back to us in the future, but I cannot think of an example as I sit here writing this. In almost all cases, the client was so appreciative for the advice that they have come back to us when they wanted to sell and conditions warranted selling, even if it was many years later.

On the opposite side of the spectrum is when we advise clients to sell. There are a variety of reasons why sometimes it makes sense for an owner to sell. If the conditions are not obvious, and the argument to sell is based on an opinion about what is likely to happen in the future, a potential seller may believe the broker is just being self-serving and is not looking out for the best interest of the client. This is one of the reasons why forging long-term

relationships with people is so important. They see you operate in many different situations and market circumstances. They know you give them different advice based upon what you really believe is in their best interest. And just because the advice you are giving them might be a good thing for you, doesn't necessarily mean it is not also in the best interest of the client.

A couple of months ago, I suggested in one of my posts that purchasing land in Manhattan now - given current market conditions and long-term trends over the last 40 years - was a good investment. After all, values are very low, historical cyclical peaks have greatly exceeded prior peaks, with the exception of the 2022 peak which was less than half of the 2016 peak, and due to policy there are huge air-bubbles forming in the supply pipeline. All fundamentally sound reasons to buy. I was told by one commenter that it was a self-serving statement. The commenter was taken aback when I mentioned to him that I am telling potential sellers of land NOT to sell today because I think values are going to rise sharply within the next few years.

Just because something is self-serving, doesn't mean its not true. Have market driven facts you can point to in order to back up your advice. And also, give advice not to sell when you really believe that is in the client's best interest.



Lesson #37:

Eat The Biggest, Ugliest Frog First!

The title is simply a metaphor for prioritizing tasks. I don't want anyone to actually eat a big, ugly frog.

When we are making our weekly “To Do” lists, which should be written down and checked regularly, we all should have a long list of things to do and those things should be prioritized. My list is generally several pages long. If you have been in the business for a while, or even if you haven't, your To Do list should be, and likely is, much longer than you could possibly get done. That is

why it is important to prioritize the items on the list and identify the few that are essential to get done for a particular day. I usually put a star next to the tasks that are most important to get done that day.

After you have identified the few items that absolutely have to get done today, figure out which one is the one you least want to do (the big ugly frog). It could be the one that is hardest. Or the one that will take the most time. Or the one that you are not the best at and is going to require some additional research or input from others. For whatever reason, it is the one you wish you didn't have to do. When looking at all of these top priority tasks, do the one you least want to do first.

There are several advantages to this approach. The most important of these is that often when we know we have that big ugly task to do, if we procrastinate and do other stuff that we like to do first, that big ugly frog is hanging there over our heads, weighing us down and constantly reminds us that we have that unpleasant task to do. If we do that one first, we can go about our day without that weight on our shoulders and this makes doing the things we enjoy, that much more enjoyable.

My daughter, Sophie, is in 9th grade now and for many years I have been telling her that when it comes to her homework, to do the subject she least wants to do first. She doesn't often listen to dad, but when she does, she always feels much better about the rest of her work. When she doesn't, she is sitting there on Sunday night and is distressed about having to complete a project she has been procrastinating over all weekend long.

So look at all of your priority tasks for the day, figure out which one you least want to do, and jump right in and do that one first. The rest of the day will be a breeze!

Lesson #38:

“You Have Only One Chance to Make a First Impression”

Most of the time when we think of “making a first impression”, we think about the initial face-to-face meeting we have with a potential client – or anyone for that matter.

First impressions are much more than the way people we meet with, for the first time, walk away feeling about us. First impressions are made with the way we speak to folks on the phone, the reaction they have when they get a piece

of mail from us or even the impression left by the way an introductory email reads.

This is why we should be cognizant about the way we do everything we do. There is a saying that “The way you do anything, is the way you do everything!” Remember that. Do everything you do with intention and do it in the manner in which you want people to think of you.

While first impressions are made in a number of ways, the first face-to-face meeting is where the rubber really meets the road. How you greet the person, how you dress, how you speak, what you have to say and even if you are on time, or late, will formulate an opinion of you by the person you are meeting with. And all of these things, rightly or wrongly, help to create your personal brand. And that personal brand is something that is very sticky.

Be aware of how people may react to your interactions with them. Try to insure that everything you do increases the probability that you make a great first impression. Of course, you can change someone's initial impression of you if you are able to continue to interact with the other person over time, but you may not get that opportunity. Make the most of every opportunity to leave a positive impression.

Lesson #39:

Know Your Potential Client's Portfolio as Well as They Do

When making prospecting calls, the main objective is to find out if the client would like to transact on anything (remember, our business is exclusively representing sellers). However, calling and starting the conversation with that ask is extraordinarily poor form and is not likely to get a positive response. We have always trained our people to call and start the conversation by offering something of value to the potential client.

That thing of value could be market information or offering a property that the client could potentially purchase. After you have discussed that market report or that potential opportunity to acquire an asset with the client, you can ask them if there is anything else that they might be interested in acquiring at the present time. After discussing the market with them, asking them “what's next” on their plate and what their “concerns are moving forward”, then it's appropriate to transition into asking if there may be anything in their portfolio that they're interested in selling. But you have to transition that conversation in the right way.

When starting the call, the most benign word you can use is the word “share”. Always offer to share information, or share an opportunity, with the potential client. After all, who in the world doesn’t want to have something shared with them?

When making the transition to asking if there’s anything that the client wants to sell, understanding the client’s portfolio can make a profound difference in the response that you get.

If you simply ask if there is anything in the portfolio that the client is thinking about selling, it is likely they are just going to say “no” and move on.

However, if you ask the client what their plans are for 123 Main Street because you’ve noticed this, or that, about the property and was wondering if that’s a building that they are going to hold onto long term, you are likely to get a much more thoughtful response. To the extent that you know a little bit about each of the properties in their portfolio, you can then transition to other properties and find out things about the market that you wouldn’t find out about otherwise.

This could include the owner telling you, “No, I’m not interested in selling 345 Main Street but my neighbor there has been thinking about selling his building, or something like that.

Perhaps you want to share with the client, “You know, the building at 269 First Street is very similar to your building on Second Street and it just sold for \$250 per square foot.” This could start a whole discussion about how the client views their Second Street property.

This approach is likely to get a much more granular response from the potential client and they will certainly be impressed with your knowledge of their assets. You are also likely to get in the way of information that is not widely known. And that information can be parlayed into something you can share with other potential clients.

Lesson #40:

Proprietary Data is Infinitely Better Than Data From Third Parties

I often say that the real estate brokerage business is not really the real estate business, it is the information business. Based upon this, it is shocking to me that the quality of most information sets that exist in the industry are not so great. How can that possibly be?

The main reasons are that folks tend to be lazy, third party aggregators are not well positioned to obtain accurate data and brokerage companies generally have poor coordination between research departments and their brokers.

Let’s look at each of these. Gathering and verifying data on sales and leases is time consuming and does not produce revenue directly. Its generally easier and takes less time to just “pull a report” from an information aggregator. However, that information is available to anyone who is willing to pay for it. If your competitors pull the same report, you have essentially just become a commodity. And what quality does that information pulled from a third party aggregator have? Callers, likely just out of college or inexperienced, are calling principals and brokers to obtain sensitive information on transactions. What is the incentive of the principal or the broker to give a stranger inside information on a transaction they just closed? And that’s if they can get that person on the phone. If they can’t, blank boxes exist on their worksheets. Is there an incentive to just fill something in so the boss sees progress?

Within many brokerage companies, I understand that the coordination between research professionals and the boots on the ground brokers, who are directly involved in the market’s transactions and follow the market every day, is generally not seamless. This is a headscratcher as the brokers are both the direct and indirect source of the best information in the market.

For these reasons, developing your own dataset is one of the easiest ways in the business to differentiate yourself. Define your market very clearly and know every single aspect of that market: its size, its volume, its pricing, historical trends, etc. We all want to be valuable to our clients and potential clients. Having a data set that you have personally procured and verified, is a great way to make yourself valuable – and your clients will love it!



Lesson #41: You Must Have a Prospecting Plan



Prospecting. What does that mean? It means looking for business and the best way to look for business in a leveraged way is to make phone calls. Some folks refer to these as “cold calls”. Well, if you are in the first year or two of your career, they may in fact be cold calls. If you have been around for a while, they should be warm calls to folks who know you.

What do I mean by this?

All of my perspective is from an investment sales broker in the private capital space so please take this advice as coming from that perspective.

The remarkable fact is that over 90% of investment sales brokers do not have a formal prospecting plan. To me, what that means is that over 90% of the brokers selling buildings are not making as much money as they could be making.

The fundamentals of this business indicate that you should identify a target audience and contact them over and over again with calls, emails, texts, hard mail, etc. If you start the week and don't have a written list of the folks you are going to call that week, AND have big block of time identified as time during which you are going to make those calls, you do not have a formal prospecting plan.

This is not rocket science. It simply takes desire and discipline. The desire is to want to be the best and the discipline is, as Abraham Lincoln said, “choosing between what you want now and what you want most!”. If you have both of those characteristics, the time slots to prospect will be blocked off at least two weeks in advance. And when that time comes around, nothing will dissuade you from making your calls.

Have a plan, set the time aside, be disciplined and watch what great thing will happen for you!

Lesson #42: The Main Thing, is to Keep the Main Thing, the Main Thing

Lots of repetitive words there, but what do they mean? I highly recommend you read the books by Dr. Benjamin Hardy with Dan Sullivan. In “10x is easier than 2x”, Dr. Hardy says, among other things, that we should all focus on the 20% of what we do everyday that produces most of our revenue. The other 80% should either be delegated or deleted from what we do.

If you buy into this theory, this essentially converts into today's Knugget: The main thing is to keep the main thing, the main thing. What this means is that the most important things we do everyday are the most important things we should do every day. What are those things to you? is it prospecting? Is it meeting with your top clients? Only you know what makes you the most money and makes you most productive. Think about it – be thoughtful. Look at each deal that makes you money and figure out how you originated that transaction. Was it from calling? Texting? Networking? Hard mailing? What got the opportunity in the door?

The aspect of our business that can be debilitating is that opportunities to make money come in many shapes and sizes and from many direction. If we are not disciplined, we can get pulled and swayed in ways that take our eyes off the ball of what are our most important activities. The discipline to not take your eye off the ball is difficult. Abraham Lincoln said, “Discipline is choosing between what you want now, and what you want most.” What do you want most and what will enable you to get there?

When you have analyzed your business and figured out what your 20% is, make sure you keep to those most important aspects of what you do every day. That will enable you to maximize what you are able to produce each day, week, month and year! Keep the main thing, the main thing!!

Lesson #43: Market Presence is a Key!

“Market Presence” is a critically important factor when it comes to staying “top of mind” in the private capital investment sales space. Market presence is the way you stay in front of clients so that you stay top-of-mind with them such that when they decide they need to transact, the first thing they think of is calling YOU!

If you think about the investment sales business in Manhattan for example, of the 27,649 properties below 96th Street on the eastside and 110th Street on the westside, the average turnover rate going back to 1984 has been about 2.6% of the total stock in the average year, or 719 sales. What this statistic tells you is that when an investor purchases a property here, on average, they own it for about 40 years before selling. So you don’t have to reach out to them every week to check in. In our opinion, a call each quarter with an update is sufficient but it also depends on how many properties that investor owns. The more properties, the more the frequent the content is required.

But calls are just one way to achieve that desired top of mind position. Other market presence activities include sending out email blasts, sending texts, setting up zoom meetings and the all-important face-to-face meetings. Each of these, in their own way, remind the potential client that you are there and, if the content is created correctly, should remind them about what it is you specialize in. Networking has been a topic of its own Knugget previously but getting out there are meeting people is yet another component of market presence.

And, of course, no market presence campaign would be complete without old reliable hard mail. Very few people do hard mail today and we think that is a big mistake. We believe it is the most underrated market presence activity. Hard mail takes effort. Hitting send on an email is quite easy. Creating a piece of hard mail can require time, thoughtfulness and energy. There is also a monetary cost associate with it. But in a world where many people are frequently concerned about emptying out their email inboxes and may inadvertently delete messages they should see (maybe one from you), folks are getting so little hard mail today that they may actually more than casually glance at it. And it has great shelf-life if it is well done.

So to be the first person a potential client thinks of when they decide to transact, develop a robust market presence campaign

and implement it consistently over a long period of time, and you are more likely to be that person that gets the first call.



Lesson #44: The Most Important Call You Can Make is the One You Don’t Want to Make

The sentence above can mean a lot of different things to a lot of different people. What I am referring to mainly is the call to a client you are representing and things are not going so well. The activity is slower than you anticipated or you simply have not put the elbow grease into that assignment that week to produce any results. If you have been around the business long enough, you know there has been that time when the phone rings and you freeze. In the old days, the receptionist would announce that the client was calling and ask if you wanted to take the call. Today, you see their name show up on your phone’s caller ID. You freeze – this is the worst feeling in the world.

So how do you avoid that feeling? You avoid it by being proactive. First, make sure to schedule time to do what you have to do for each client that week. Second, even if you are proactively doing what you need to do, maybe the results you produced were underwhelming. You know what, pick up the phone and let the client know: “Nothing positive happened this week. Nobody was interested.” Then add, “But we have a great plan for next week and the team will get right back after it with positive energy.” This is so much better than saying the same exact thing to the client after the client has called you.

Don't put yourself in a defensive position. Make the call even when you have nothing positive to say. You don't want to make that call – the client may have a negative reaction. But they will appreciate that you called them. It's human nature not to want to deliver bad news. But you have to get over it and get over it fast. This is a probability based business and disappointment and failure is all around us. How? Think about a typical building sale. You send out the set up to thousands of potential investors. If you are getting a great response, 150 of those thousands will sign a CA and want more information. If you get a great result, 50 of those folks will want to inspect the asset and if you get a great result 25 to 30 will make offers. One will buy it. Calculate the odds along the way. By definition, most of the news in our business is negative. Don't be afraid to convey that news. As long as you are doing the work, putting in the effort and keeping the client informed, you are greatly increasing the odds that you will keep the client happy.

Of course results are everything in this business. But being there when the deal gets done is a key and communicating with the client goes a long way towards being there when it happens.

So when you don't want to make the call, it is the exact time you should pick up the phone and dial!

Lesson #45: **Learn From Your Failures**

No matter how good you are in this business, you are going to have failures. No one gets every deal.

One of my most favorite things to do is to pitch business. Its like the same feeling you get when you take the mound as a pitcher and get ready to throw that first pitch. A bit of butterflies but much more excitement about what is to come. I truly get pumped up for each and every pitch. This is what makes winning feel so good, but it is also what makes losing feel so utterly terrible.

However, the smart broker uses those losses to learn, and to get better. Think about it. When you win, you send the agreement out, negotiate it, sign it, sell the building and you have learned absolutely nothing about your business. All you know is that you won. But when you lose, you are granted a tremendous learning opportunity. How? By waiting a couple of weeks, then calling the client and asking them why they went with the other broker. What did the other broker do, or have, in order to win the assignment? What could you have done differently, or said, or done more of,

or less of, in order to make a better impression? This is the very best feedback you can get. Poke and probe to get the client to give you the most honest feedback they can give you. This is the BEST learning opportunity you will ever have and will provide an opportunity to tangibly get better at what you do.

If you truly want to be great, ask these probing questions to every single potential client that doesn't hire you. It will be the best feedback you will ever get in your career and, if you focus on correcting those things, will make you a much better broker.

Over the years, I have learned far more from my losses than my wins – and that feedback has made me a much better broker. You will experience the same thing if you have the courage to ask why you didn't win!



Lesson #46: **When Interviewing a Candidate to Join the Team, Know What to Look for!**

I get asked a lot how to identify someone who is likely to excel in the job and how to determine those folks. What I can tell you after hiring hundreds of people over the years is that nothing is fool proof. No guaranteed formula, no magic question, no combination of insightful questions and no amount of checked boxes. All you can do is increase the probability that you will make a good choice.

And it is important to realize that you will never know until someone actually starts doing the job. At Massey Knakal, one of our top sales people never got a college degree and barely got out of high school but had a remarkable personality who connected with people like no one I ever saw. Conversely, we once hired the valedictorian from Harvard. Nine months later he quit as he could not handle people hanging up the phone on him – after all, he was a “Harvard man”!

Here are some things that will increase the probability of success:

When hiring, experience doesn't matter – in fact, the more experience they have the more bad habits they may have developed. Talk to the candidate and look for reasons why they want to succeed and try to figure out what drives them.

- Ask two questions:
 - o “What accomplishment are you most proud of and why?” (could be personally, professionally, etc) This will get to the root of what drives them.
 - o “Who do you want to be a hero to?” This is a profound question that will probably throw most people off. Let them know they can take time to answer as most may not have ever been asked this. The answer will tell you why the candidate wants to succeed and how much it is that they want to succeed. It will also help you to differentiate between whether they want the job tremendously or want to succeed at the job tremendously.

Then, you have to determine likeability. After chatting with the candidate, would you like to go have lunch with them or go have a beer. If they answer is no, you cannot offer them the job. If you don't feel warmly towards the candidate, will clients?

Clearly, there are lots of other things to look for, however, desire and likeability are two traits that greatly increase the probability of success.

Lesson #47:

“Multi-tasking” is a Fallacy.

If you keep a “to-do” list, you probably have many more things on the list than you can possibly get done in a day.

Not even Einstein could do two things effectively at once. Don't even try to do it. The greatest source of stress in the workplace is the mind's attempt to carry many thoughts, many tasks, many future scenarios, many cares, many worries, many concerns at once. The mind cannot do this we can only focus on one thing at a time.

In order to keep yourself relaxed and in a focused state where you can concentrate, it is an important not to be trying to get multiple things done at once. You will become scattered, distracted and spread too thin. If you can pick one thing and focus on that one thing until it is finished, you never have “too much to do”. The

truth is there is only one thing to do, and that is the one thing you have chosen to do right now. If you do that one thing as if it's all you have to think about, you will do it better, the results will be optimal and your relationship with any other person involved in doing that task will be better than it would be otherwise.

The mind contains one thought at a time and only one. The main reason why people feel swamped or overwhelmed in life is caused by not knowing this. It also can be caused by knowing there are a ton of things you have to do, one at a time, but you must tackle them individually.

This approach requires looking at all of those things on your to-do list and prioritize what is getting you attention next. Your productivity will go up and you will feel much more in control.

Lesson #48:

You Cannot Overcome an Objection Unless you Identify it.

Overcoming objections is one of the most important skills a broker can develop. As a broker who only represents sellers and only works on an exclusive basis, this skill becomes critically important as each sale consists of closing two sales – getting the exclusive agreement signed is the first and actually closing the deal is the second one. During my career, I have sold 2,327 buildings and 2,324 times I was the exclusive agent for the seller.

The objections I have seen when a potential seller does not want to give an exclusive are numerous and come in a variety of “sizes and shapes”. But the one thing that I have seen brokers over the years really struggle with is trying to overcome an objection that is not really an objection at all. Differentiating between the real objection and the “smokescreen” objection is the most important of the skills needed to overcome the objection and get the exclusive.

For example, when a potential seller says, “I don't want to hire an exclusive agent”, I have seen brokers go on and on about why an exclusive is the best way to sell a property, etc. etc. but their efforts are likely misguided. The reason is that, “I don't want to hire an exclusive agent” is not an objection you can overcome. Neither are “My partner doesn't want to give an exclusive”, “My attorney told me not to hire and exclusive agent”, nor is “I had a bad experience with an exclusive in the past”. You cannot overcome these because they are not really objections at all.

In order to get to the root of the real objection, you have to keep asking “Why” until you determine the real reason for the resistance.

For example:

“I don’t want to hire an exclusive agent”.

Why?

“Because my attorney told me not to”.

Why?

“Because my attorney had a bad experience with an exclusive”.

Why did your attorney have a bad experience?

“Well, my attorney hired an exclusive agent and after the agreement was signed, didn’t hear from the broker for months”.

Now you have a real objection and can get to work on overcoming it. “We send all of our clients written status reports every two week and will commit to that in the exclusive agreement”.

The examples of these are numerous but you get the point. You have to keep drilling until to get a real objection.

And, of course, you need to articulate your value proposition eloquently as we discussed in Knakal Nugget #27!

Lesson #49:

Create a One-Page Case Study for Every Transaction.

Closing deals is a great thing. You have a happy client, have added to your track record and have some money in the bank. But there are several other benefits and opportunities a closed deal affords you. Another benefit you get from closing a transaction is the ability to use that transaction to help you get more of them! You can demonstrate your capabilities, show how you helped a client achieve their objectives, highlight the techniques you used to overcome adversity and helped your client and, importantly, you have an opportunity to have someone else say something nice about you, which is infinitely better than saying something nice about yourself.



My coach, Rod Santomassimo, prefers we call them “Success Stories” as opposed to case studies. Regardless of what you call them, these write-up on your deals should be done each time. I regret not having done these since the beginning of my career. I have been doing them for years now and they are among the best and most powerful marketing materials that you can use to get new business.

We call our success story write ups “CARTs” and they include information on the Challenges we faced in the marketing of the asset, the Actions we took to overcome those challenges and the Results that were produced. Then, perhaps the most important part of the write-up is the Testimonial that you get from your client articulating what a great job you did.

I have hundreds of these Success Stories written up and have created a book of them. Whenever we are pitching a new client, we bring the book with tabs on the pages for those transactions with similar circumstances to this present potential client. Let’s say the client is facing a partnership dispute. We will review the transactions we closed where there were partnership disputes. This shows the client we understand their predicament and have helped folks before who were in the same situation.

Leaving this resource behind with the client is a powerful endorsement of you and your abilities and will go a long way towards getting the next assignment.

Lesson #50:

Everything you do creates a personal brand.

In the real estate brokerage business, regardless of what firm you work for, everything you do creates an impression of you by others and that impression creates a brand. Yes, the firm has a brand and a reputation, but so do you! And yours will stick with you regardless of where you are working.

Everything we do creates impressions and impacts the way people perceive us. The way we speak, the way we dress, the way we interact with people, what we eat, what we drink, the materials we send out to folks and the people we work with, especially our partners: everything we do creates those impressions. So it is important to be conscious of how we are interacting with people, who we are associating with and the way we carry ourselves.

Some of the famous quotes on personal brand include: “If you are not branding yourself, you can be sure others do it for you”. “Your personal brand is what people say about you when you are not in the room”. And, “Your personal brand is a promise to your clients.. a promise of quality, consistency, competency and reliability”. “The keys to branding success are self-definition, transparency, authenticity and accountability”.

John Jantsch is credited with saying, “Personal branding is the art of becoming knowable, likeable and trustable.”

Lots to be learned from these quotes. But it is also important to be genuine and to present yourself honestly.

As Oscar Wilde has said, “Be yourself, everyone else is already taken”.

Lesson #51:

Remember that taxes aren't taken out of your checks.

Being a real estate broker means that you are likely a 1099 independent contractor as opposed to an employee that has taxes withheld from your pay. Many brokers get into hot water by not recognizing that, depending on the state you live in and the level of your earnings, you could have to pay about half of



the amount written on that check to federal, state and local taxing authorities.

That's a big number and can be a kick to the head if you haven't planned ahead. A great way to deal with this is to set up a separate bank account as a sinking fund for tax payments. When you get your check and let's say its for \$20,000. Deposit it into your checking account and then transfer half into the sinking fund account. Then at the end of the year when you meet with your accountant and they tell you how much you owe, you can



simply take the money out of the sinking fund account. In some states you might have to pay a bit more and if you know that ahead of time, make the deposits a higher percentage. Maybe you are in a state where you will pay less. If so, either save the unspent balance or treat yourself to something.

Just don't forget that all of that money appearing on your 1099 check is not yours. Uncle Sam, and maybe your state and city, are partners in your brokerage business.

Lesson #52:

Proprietary Data is The Best Data You Can Get!

Let's face it, most data in the real estate industry is not very good. Why is that the case?

Most of the folks in the real estate industry want stuff fast. Getting information from a third party aggregator of information is the path of least resistance for most market participants. But who is collecting that information and how easy is it to get. One of the reasons why most data sets are lacking is that buildings are not widgets and selling and leasing commercial real estate is not like selling or leasing widgets. There are so many moving



Lesson #53: **Never Expect to Get Everything Done.**

parts and variables in a real estate transaction that the publicly reported, or recorded, information surely has holes in it. Additionally, if you are just pulling a data set or a report from an aggregator, a high school kid could pull the same exact report. What good does that do you?

In order to fill those holes, information must be obtained and the best source of that material is from the broker who handled the transaction or from the principals themselves. This is the reason that being friendly with cooperating brokers can be very beneficial. And when speaking to principals, especially a buyer and seller, it is important to speak to both of them as each may give different info and it is your job to triangulate to try to get to the truth. Can a junior cold caller gathering information get the inside information from someone they don't know?

If you focus on one aspect of the business, a narrowly defined niche, you can really become an expert in that area. This will make it easy for you to take the time to get information on transactions in your area of specialty. And that information can be a big differentiator relative to the dozens, hundreds or maybe thousands of other brokers you are competing with. And that differentiation creates something we are all looking for – a competitive advantage.

Doing the analysis consistently is also critical. The reason is that the numbers themselves, in absolute terms, are not that meaningful. What matters is how those numbers compare with numbers in the past and how they will compare to numbers that will evolve in the future. If the numbers were not derived consistently, using the same methodology, the comparison loses utility and is less insightful.

Create your own data set and you will set yourself apart. This is among the easiest ways to separate yourself from the pack and create a competitive advantage!

The best way to get things done in the brokerage business is to make up a “To-Do” list each week. Writing things down greatly increases the odds of getting things done.

However, an unfortunately reality of this business is that the more work you do, the more work you will have to do. What I mean by this is that when you get a lot of stuff done and cross those things off your list, you are putting others in a position to respond to you and you will often have to respond to their



responses. Send out 100 individual emails to people and if 80 write back to you, you will have to follow up on a large percentage of them. This dynamic is what economists refer to as a positive feedback loop – the more you do, the more you will have to do.

This brings up another important aspect of our day to day jobs. We must prioritize the things that are most important. If you have been in business for a while, and you are making your prospect calls, your to-do list will be much longer than you could possibly tackle in a week, even if you had nothing else going on. This requires that we prioritize. And to feel better, realize that you are never going to get everything done. It is a virtual impossibility. There is just too much going on and too many possibilities. Just come to terms with the fact that you are never going to get everything done. Just focus on getting the most important things done.

I go into each day with 3 things that I feel I must get done that day. Anything else that gets wiped off the list is an absolute bonus.

Lesson #54:

Investing in Yourself is The Best Investment You Can Make

Many young brokers have asked me what their investment strategy should be after they start to make some money in this business. I have always given them the same advice – Invest in the best and most important thing you can, you!

Yes, money should be saved and put away into safe investments so that you have reserves for things you need or for when the market slows, which it inevitably will. But if you had some extra money you wanted to take a chance with – maybe buy some stocks or invest in an investment property or invest in another business, consider this. If you invest in stocks, you are relying on the decisions other are making. If you buy investment properties (and many brokers do regularly and do very well), you must remember that if your income starts to decline because of market conditions, those same market conditions are likely to negatively impact the value of your investment property.

Why not take that non-essential money and invest in yourself. For many decades, I have been reinvesting hundreds of thousands of dollars into my business. Coaching, marketing materials, outside research and other resources that will make me more effective and will increase the likelihood of success.

In our lives, and in our business, there are essentially two things you can control, your effort and your attitude. When it comes to effort, investing in your business can make a great deal of difference in your performance. It takes hard work and planning (working ON your business) to spend those dollars wisely but investing in yourself is generally a very smart investment – and one that you can control completely.

Investing in yourself and your business will increase your probability of success – so make that investment and watch things grow!

Lesson #55:

Give back to others / your community.

Today's Nugget pertains to the obligation, yes, obligation we all have, to give back to others and to give back to our communities.

Many of us have received tremendous blessings in the form of health, love and material possessions. Our day-to-day problems and the things we frequently get upset by are often relatively minor things when we look at the conditions that others might be living in. A delivery doesn't arrive on time and we get apoplectic but if we think about the unfortunate circumstances others are facing, all of a sudden, we can put our discontent into perspective and all of a sudden things don't look so bad.

At Massey Knakal, our core values were Passion, Integrity, Excellence and Responsibility. The Responsibility component of the values was to give back to the communities in which we lived and worked. We asked each of our folks to, not only get involved by contributing 1% of their income to the Massey Knakal Charitable Foundation, which provided support to local charities around New York City, but to also get actively involved in a charity in the neighborhood in which they lived or within the geographic territory in which they worked.

Further, the ask was not only to financially support the organization but to give a more important and impactful contribution, their time. Donating time has several benefits. It puts you more in touch with your neighbors who might be suffering. You will look at your own circumstances differently. Most importantly, for the folks who are disadvantaged, they see others caring about them and makes them feel a bit better because they know someone cares about them.

For 15 years, I served as the president of Ice Hockey in Harlem, an afterschool program for disadvantaged children in Harlem who were allowed to play in our hockey program if they attended our after school classroom sessions. One of the things I did each Thanksgiving was to purchase Thanksgiving dinner for 4 of the often single-parent families that had kids participating in the program.

One family, consisting of a mom, grandmom, and 3 children, received a meal for 7 one year. I thought the leftovers would be a nice thing to have the following day. Upon seeing the mom at a practice session a couple of weeks later, she came over and thanked me for the meal and I asked if she enjoyed the leftovers. She and her family were unable to – why? “Bob, we couldn't save them because we don't have a refrigerator in our apartment.” I was shocked. How many of us went to the fridge this morning for juice or milk for our coffee and felt grateful that we had a refrigerator in our home?

Give back to others. It will change your life!



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