

How to Survive and Thrive – and Succeed – in Today’s Real Estate Market
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Opening and Introduction

Good afternoon everyone. I want to start today by thanking the folks at IREM Chapter 45 for inviting me to speak today. I can honestly tell you all that, being a real estate attorney who’s always looking for more business, when Mel Schultz emailed me and asked if I wanted to speak to a room full of property managers, I think I had the first three digits of his phone number dialed before I even finished reading his email!

Now, when I talked with Mel about possible topics, he mentioned that he was looking for someone to talk about leadership, I had to think for a moment about what I could say. I mean, what do I as a real estate attorney have to say of significance to all of you about “leadership” in your industry?

And as I thought about it, it hit me: whether it be me as a real estate lawyer, or all of you in property management, or other such as realtors, loan officers, investors or anyone else in real estate for that matter, we have all been weathering what is widely acknowledged as the worst real estate decline since the Great Depression. Nonetheless, we’re all still here, working in an industry that we enjoy. Now, my guess is we’ve all commiserated with other industry professionals about how to keep your heads above water in this mess, and so what I’m going to talk about today is some of the things that I’ve done in that regard, and maybe, just maybe, you’ll take away a few tips that will help you continue to survive, thrive and succeed as this crazy real estate market starts to normalize in the coming months and years.

My Story [SLIDE #1]

To start off, let me tell you a little bit about me and my background. I was admitted as a Minnesota lawyer at the end of October 2000. After 4 ½ years with a small suburban firm, I joined my current firm, Mansfield Tanick & Cohen, in December 2004. **That picture is of me just a few weeks after I joined Mansfield; I looked so innocent back then; a lot skinnier then too.** When I joined the firm, the clear expectation was that I was going to be what we call in the legal profession a “grinder”, meaning that I was expected to bill a lot of hours working with other attorneys’ clients. If I generated some clients of my own, great, but at that point, I was there to work.

And for the first 2 ½ years after joining Mansfield, that’s exactly what I did. Whether the work be forming CIC communities, or commercial transactions, or leases, you name it, I worked on it. However, all along, I remained keenly interested in growing my own practice and my own book of business so that I could become one of the rainmakers of the firm. In 2006, I originated – an “origination” is legal code for a who gets credit for a client hiring the firm – I originated a very

significant litigation matter. In doing so, I noticed that my voice in the firm and how we grew and how it was run, grew. And, being the proud micromanaging control freak that I am, I realized that the more business I brought into the firm, the louder my voice would be. And thus, it began.

Now, as you all know, by the end of 2006 and into 2007, the Twin Cities real estate market started to turn quickly for the worst. Housing prices dropped, as did demand, and many developers struggled to stay afloat. Worse than that, the small banks that lent money to the developers began struggling as well, and many of the development projects which were the bread and butter of my practice were gone from the scene.

Still, I plugged forward with the development of my practice, as I had a belief that those of us who were able to continue growing in the midst of all this chaos would be firing on all cylinders when the market and the economy finally turned around.

Now, when I joined Mansfield, I brought with me four clients – all of them inactive – and a handful of contacts. So I had some work to do if I was going to build a strong referral network that would continuously generate work for me. 2008 was a watershed year for me in that I discovered the value of networking.

How to Be the "First Name on the Brain" [SLIDE #2]

I focused on a networking strategy that would make me the "first name on the brain." What I mean by that phrase is that, when the need arises from the folks who know me, or from the folks that they know, for someone in the legal profession, I'd be the first person to contact, regardless of the matter. This strategy forms the core of all of my business development, and I'd like to share it with you today.

1. *Meet As Many People As You Can.* Networking groups and networking events are occurring almost every day. Whether it be a BNI chapter, a Chamber of Commerce, a Meetup Group or some other niche networking group or professional association – IREM for example -- or a one-time only networking event, try to meet as many people as possible. Do NOT ever assume that someone is not worth talking to simply because at first glance their profession does not seem to be compatible with yours.

2. *Follow-Up.* If you go to networking events and fail to follow up, you wasted the time spent at the event. Keep a pen with you at the event and take notes on the back of each person's card. After the event, review your cards and schedule 1 to 1 meetings with the people you met at the event (you do not have to meet with everyone; I usually make appointments with the handful of people that I really want to get to know more about, but if someone who's not in that category invites me to a meeting, I take the meeting).

3. *Prepare for the Meeting and Listen at the Meeting.* Do some advance research before any 1 to 1. Review the person's website and do some other internet research to learn more about the person's business. Come to the meeting with questions and listen to what the person says about his or her business and the answers to your questions.

4. *Create a Contacts Database.* Whether you use Outlook or some other program, create an electronic database of all of your networking contacts, and make notes in each entry as to information pertinent to that contact.

5. *Make Referrals Among Your Contacts.* I find that, as an attorney, it is not always easy to have a piece of business to refer to one of my networking contacts. However, I am almost certain that I have at least two people in my database who (a) have never met; and (b) have the possibility of doing some business together. Anytime I have a 1 to 1 with someone, I leave them with at least one contact out of my files who can help them grow their business. The best thing about this? The persons you introduce usually return the favor with an introduction of someone new to you.

6. *Take Advantage of Social Media.* We cannot possibly network face-to-face every minute of every hour of every day. That's where social networking comes in. LinkedIn, Facebook and Twitter are my favorites, and they are great ways to stay in touch 24 hours a day, 7 days a week, 365 days a year. More on how I use social media in a minute.

7. *BE SINCERE.* This is the most important step of all. You have to be genuine with all of your networking efforts. If you are thinking only of yourself, others can see this and your networking will not be productive. You have to have a genuine desire to help the people you are networking with grow their business. There is a fine line between sincerity and selfishness; finding it is the key to effective networking.

In 2008, I networked any chance I had. Almost every week I'd attend 2-3 events after work and met more people and made more contacts. I networked so much in 2008 that I wore holes in my shoes. I kept them, though, as a reminder of how hard I worked to build up my network, so I'd never let it atrophy.

Social Media [SLIDE #3 – My social media “alter ego”]

Somewhere in the course of my face-to-face networking, someone sent me an invitation to join LinkedIn. And, as the saying goes, the rest is history. A few months later, it was a Facebook invitation, and then I myself joined Twitter out of curiosity. Today, with over 430 LinkedIn connections, 830-some Facebook friends and over 2,600 Twitter followers, I have something of a reputation as the “Social Media Lawyer.” In fact, I write a column now for the CIC Midwest News called “The Social Media Lawyer.”

Believe it or not, social media has been a huge engine for developing business, for a couple of reasons. First, it gives me an attentive audience to which I can push content – be it articles, blog posts, podcasts, etc. I have been able to build relationships with people whom I originally met via social media into face-to-face relationships that generate business.

Second, social media sites allow me to keep in contact with my referral network and clients. I practice both real estate and business law and, before the days of social media, unless I took everyone out for coffee or lunch – which isn't easy to do when your commodity you sell is your

time – some people knew me as one or the other but not both, and no one knew that I also did a little estate planning. Social media helped me overcome that by, as I mentioned before, serving as the conduit for the large volume of content that I pump out. I love it when someone who refers business to me tells me on the phone “I emailed my clients a link to your blog post.”

Now, some will criticize social media as a waste of time, and truth be told, it can be. There is a 6-12 month learning curve to get all the systems and tools in place to make social media an effective extension of face-to-face networking. Some give up before that time, but for those who stick with it, the results can be lucrative.

Certification [SLIDE #4]

Up until now, I’ve talked about what I’ve done to make connections. Making connections is great, but if they don’t trust you enough to send you business, then all you have is a bunch of friends.

That’s where certification comes in. Now I know that as property managers, you have certification programs of your own. For me as a real estate attorney, the key certification is the Minnesota State Bar Association Board Certified Real Property Specialist certification. Less than 500 attorneys statewide have it, and having it evidences that you possess acknowledge of real estate law that others do not. To be qualified for certification, you have to demonstrate a number of hours of practice in various aspects of real estate, you have to attend a given number of CLE – continuing legal education – courses focused on real estate, and you have to pass a written exam. I was certified in 2008 and I’ll have to apply for re-certification in 2014.

Certification in our respective industries is a sign that our professions are becoming increasingly specialized. Gone are the days of the one stop shop; in its place is a system, much like doctors, where parties seek the highest level of specialized knowledge from vendors. In my opinion, this trend is only going to continue.

Community Involvement [SLIDE #5]

I want to go back to networking for a moment. I’m a big believer in the BNI philosophy of “Givers Gain”; others call it “Pay it Forward”. Whatever you call it, there’s a phenomenon where when you do something for someone else without the expectation of a quid pro quo, those efforts seemingly come back to you later on. One area where this phenomenon plays out is community involvement.

My wife and I moved out to Albertville in 2006 – actually it was five years ago as of yesterday. I’m a city kid from Golden Valley – I actually used to caddy here as my summer job -- and the only person I knew in my new hometown was one neighbor who was also my realtor. So what did I do? I became involved and met people. In the first twelve months of our move to Albertville, I wound up on my homeowners association board and a City committee. In the second twelve months, I became active in the Elk River Area Chamber of Commerce and the Wright County Economic Development Partnership. Now, yes, my motive in joining these organizations was to get my name out in the local community for business development

purposes, but in order to build trust amongst my neighbors, I ended up having to provide something of value to all of these groups – be it a bit of free advice or some networking connections. This has been a tremendous source of business for me and it has also been a very rewarding experience, and I would strongly encourage any of you who are not presently active in your local community – be it a neighborhood association, Chamber, Rotary, or something else – to do so; you’ll be presently surprised as to how that service comes back to you multi-fold.

Old Media (Radio) [SLIDE #6]

A little over three years ago, I was connected with a gentleman named Ryan Yardley. Ryan and his business partner, Jason Walgrave, had just launched a real estate show on WCCO Radio called “The Real Estate Radio Hour” and they were looking for an attorney and law firm to be a sponsor.

I appeared live on the show twice in the first year, and what I found was that it was difficult to get traction with 3 other people in the studio and with a show who’s format was to push sales of residential properties. However, rather than give the show up, I came up with an idea that would benefit both of us. It was called the “Legal Minute” and it debuted in October 2009. I provide a 60 second PSA on some aspect of real estate law that the show hosts – who are now Chris Rooney and Andy Prasky – punch in during their one hour. The best part of these pre-recorded bits is that WCCO Radio is kind enough to provide me with the mp3 files of them so I can push them across social media sites, my blog and website, and elsewhere. And, of course, it doesn’t hurt to be heard every Saturday on the most listened to a.m. radio station in the state.

The radio show, like the certification, adds credibility that distinguishes me from my competition. And, yes, in case you’re wondering, I do get business from it. We review the matters generated via the show – both from call-ins as well as referrals from the show hosts and other show sponsors – and we average 4 to 5 times the cost of our sponsorship fees each year since the show began. And it’s always fun to have someone come up to you and tell you that they heard you on the radio the past weekend.

New Media (The Website, and the Blog) [SLIDE #7]

A big part of my marketing these days is this little website, “The Business Man’s Lawyer”, located at www.jeffreyobrienesq.com. As I look back on my various marketing efforts, it always amazes me as to the opportunities that spring from other efforts. The website is one of those. Here’s the story behind it: a client of mine was selling a do-it-yourself website development product and, given my penchant for networking and social media, he wanted me to sign up and give him feedback on it. What I gravitated to was the blog function. I had been writing articles and speaking on legal issues for many years, but the blog gave me an outlet for my opinions on various legal topics. For example, you’ll find a series of posts called “the Top Five Silliest Real Estate Laws” on the blog, where I go through a series of laws that I think should be repealed.

The website gives me a portal that links to everything I’ve written, spoken about and said about the law. You’ll find articles, archives of the Legal Minutes, my “Social Media Lawyer”

columns, and much more at jeffreyobrienesq.com. As I tell people, there's thousands of dollars of free legal advice on the site, and I would encourage all of you to visit it.

I'm not going to lie to you: it took a lot of time and a lot of effort to figure out how to make the website and blog work as an effective marketing tool for my practice, probably two years or so. That effort is now paying returns multi-fold.

Ethics [SLIDE #8]

I want to shift gears for a moment and talk about ethics. For me, ethics is always a concern, as we lawyers have to answer to a lawyers ethics board for our conduct.

It's no secret that there are always going to be some bad seeds involved in the real estate industry that give the rest of us a bad name. In fact, that's been a silver lining in the tough real estate market is that some of those ne'er-do-wells are no longer in the industry. That's fitting, considering that it was those same folks who had their hands in much of what has caused the downturn.

Ethics are important for every real estate professional, be it an attorney like me or property managers such as yourselves. If an opportunity presents itself that requires us to compromise our ethics, it is simply not worth doing so. If you are not true to yourself and your ethical principles, it's only a matter of time before you end up on the ash heap with the ne'er-do-wells. The important thing to remember is that the real estate market is going to get better, and no short term compromise of your ethics is worth jeopardizing your long-term success in this industry when things get better again.

I've seen some interesting deals in the last few years, and I did not think all of them were smart from a business perspective. Nonetheless, I tell my clients that my job is to review their proposed course of action and advise them of the risks involved with it. As long as what they're doing isn't illegal or unethical, I'll help them get their deal done in the best, most cost-effective way I know how to. I may think that the deal is dumb, and in some instances I may even say as much in a letter to cover my rear end in case the deal goes south; still, so long as I'm not breaking the law or compromise my ethics, I'll help my client get the deal done.

Results [SLIDE #9]

So where did all these efforts take me? Well, as you can see from this picture, I look a little less innocent, a little older and a little heavier, but it has definitely been worth it. In just five years I took my practice from having a handful of inactive clients to a book of business that has generated on average \$250,000 to \$300,000 and continues to grow. My efforts showed the powers-that-be at the Firm that I was deserving of a modicum of leadership responsibility; hence the "Marketing Partner" promotion.

Conclusion **[SLIDE #10]**

In closing, I want to say that better times are ahead for those of us in real estate. Take advantage of the downtime to plot out your strategy for growing your business and not only will you survive this mess, you'll find yourself thriving in it and as the real estate market recovers you will find yourselves in a far better position than your competitors who have not made similar efforts.

Thank you.