

## **Invest In Your Relationships**

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We are all so busy putting deals together and making ends meet, that we often forget about our most valuable assets...our relationships. At the end of the day, our support network is what keeps us going. So how can we develop a disciplined and balanced investment strategy for our key relationships that will produce the highest ROI?

Current investment theory uses Sector analysis to create a balanced allocation of our investment funds. We can apply the same concept as a model for investing our time and attention into the relationships that make up the fabric of our world. As with our equity investments, we can do a better job of balancing our portfolio if we proactively allocate our time and resources. The examples below represent some possible relationship sectors for us to consider.

### **1. Clients**

We should always know and track who provides us with business. The database programs available today (like ACT, Goldmine or Outlook) make our jobs more efficient...but it is still a job that requires regular maintenance. We should also be regularly updating sub-sectors or rankings of our clients.

- Our “A” list should include our Top 40 or so clients...the regular dependable clients who supply the bulk of our current deal flow. Since they provide most of our business, we should be spending most of our time and attention on this group.
- Our “B” list would consist of the periodic or occasional clients who are reliable but not prolific. We need to spend some time with this group, as there could be untapped business potential for today or the future.
- Our “C” list includes everyone else. We should not spend time on this list. If they do not make it to our “B” list, then they do not warrant our time and attention. Being selective about who we choose to do business with, can save our time and increase our ROI.

### **2. Prospects**

Much like our clients, we need to keep track of our prospects. These should also be ranked into “A, B, and C” categories. The “A’s” would represent real tangible prospects that will likely convert soon, or if not soon, then with a large payoff. Regular updating of a “Top 40” list here is also a good discipline. Our “B” prospects, similar to our “B” clients, represent those with potential for business, but without great potential for a quick conversion, or a large payoff. The “C” prospect list should operate under the same rules as the “C” client list. If they do not make it to the “B” list, we do not invest our time.

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### 3. Our Team

We see them every day...but how well do we really know the people on our team? What is going on in their world that could impact their performance on the job? What can we do to help them succeed? How much time do we spend figuring out how to *manage* our boss? When was the last time we took a peer or a subordinate to lunch...with no agenda? Investing our time into the people that surround and support us can reap large dividends.

### 4. Vendors and Service Providers

Get the best quote....sign them up....move on to more important matters. Remember, your vendors or service providers (Appraisers, Environmental Engineers, Structural Engineers, Escrow Officers, Title Reps, etc.) can kill a deal with just a minor miscommunication. Time spent with these people can save a lot of pain when we are in the trenches together. The stronger our relationships with our vendors, the better we will be able to work through problems together. A nice side benefit is that vendors can also be a good source of business and staffing leads.

### 5. Advisors

We all need advice from time to time ... in fact if we are wise, we really need advice and feedback all the time. Companies have Boards of Directors who provide regular advice and direction. We should also. A regularly structured meeting of advisors who have our best interest at heart can keep us on the right track and help us to avoid problems. Our advisors could be paid professionals (Accountant, Lawyer, Banker, Investment Advisor, Insurance Advisor, etc.) or they could be a group of peers who may want our feedback in return. We should be humble enough to follow the words of Robert Burns: "*O, wad som pow'r the giftie gie us, to see oursils as others see us!*"

### 6. Family and Friends

We work hard...but to what end? If we have failed to enjoy our time with our loved ones along the way, was it worth it? Is a big deal worth a failed marriage? Harry Chapin set the tone for a generation of parents with "Cat's in the Cradle". "...we'll get together then, you know we'll have a good time then." What if our children grow up and move out while we are waiting for "then"? Time invested into our spouse, children, parents, siblings and friends will pay the dividends of supporting us when times get tough or when we get old...and both are inevitable at some point.

Diversification and balance – these are wise themes for our equity investments. They are equally wise themes for our investment of time and attention. The relationships that touch us every day are some of our greatest assets. We have the resources of time and attention to invest, and it is up to us to invest wisely.