

# Mentoring — Can Your Company Afford Not To?

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**H**ow does a commercial real estate neophyte learn a specialty, such as retail, office, industrial, senior, multifamily, medical or land? One of the best ways is through mentoring. That's why some firms have established formal mentoring programs that pair an experienced professional with a newcomer. How exactly does such a program work, what are the benefits and pitfalls, and does your company need one?

## Getting Started

Mentoring is a partnership between a more-experienced and a less-experienced professional. As suggested by the origin of the term "mentoring" from the Greek, meaning "to have a sustained relationship," the partnership is a long-term arrangement, not a quick series of training or coaching sessions to impart a particular skill. The mentor's role is that of an adviser or counselor rather than a trainer or supervisor.

There are two ways to begin a mentoring relationship. The less-formal way is for senior specialists to approach new hires and initiate individual mentoring engagements as appropriate.

Alternatively, you can set up a formal program by putting someone in charge of mentoring for the firm. That individual pairs up experienced professionals with neophytes and gets them going with their first meeting.

Although you can ask a mentee to contact a mentor directly once they have been paired, don't leave it up to the mentee to initiate a mentoring relationship by identifying and approaching a possible mentor. If the mentee is expected to take the initiative, the program probably will not get off the ground.

To avoid conflicts of interest for either party, the mentor should never be the person the mentee reports to within the office.

It's a good idea to formalize the engagement in a written agreement that spells out expectations and do's and don'ts. For example, your agreement should stipulate confidentiality between the senior agent and the newcomer, thus permitting a free exchange of what otherwise might be private, especially in certain segments of real estate brokerage.

Structure the first meeting between mentor and mentee to discuss the terms of the alliance between the two parties, define respective roles, needs and expectations, including privacy and confidentiality, and limitations. Then formalize these expectations in the written agreement.

Finally, your agreement should address the duration of the relationship and the approximate time the mentor will be expected to spend with the mentee.

Mentor and mentee can meet at a place of their choosing. Sometimes, both parties find it beneficial initially to meet outside the office, say over breakfast or lunch, to avoid interruptions and distractions. How they decide to proceed from there may be included in the written agreement. Make the agreement flexible enough to allow both parties to modify it as they move forward in the relationship.

If your company has a human resources department, it can help formalize and oversee the mentoring program. If not, designate an individual in charge of implementing and monitoring the program, such as the person overseeing brokerage services or heading training or a senior member of the firm with the



best people skills and committed to the program's success.

The person in charge will act as or appoint a program gatekeeper as an independent third party who can give guidance to both mentor and mentee and ensure the solidity of the relationship.

Although mentoring programs may differ in their implementation or design, generally their purpose is to attract quality people and to retain them. However, one of the major concerns voiced by commission-based mentors is that taking time to mentor may cost them money. That's why the written agreement between the mentor and mentee should establish rewards for both parties. It's also critical to spell out any arrangements on commission splitting in the agreement. Misunderstandings in this area often lead to the failure of mentoring relationships.

Once your company has made the commitment to establish a formal program, get it off to a good start with a formal "rollout." Introduce company personnel to the initiative, explain why it has been created, how it works and why it is important to the firm.

If, despite a thorough rollout, a good mentoring candidate does not want to participate in the program, it may be a matter of timing, misperceptions or even fear of getting involved or having to be responsible for someone else. When that happens, it's a good idea to back off and then approach the individual at a later time to pursue the discussion.

An e-mentoring approach works well for companies that need to pair up people with different schedules, cultural backgrounds, work experiences, departments and geographic locations. It's also a good choice for companies that have an abundance of men and few women, which is typical in commercial real estate. In fact, e-mentoring may help to attract more women into the commercial real estate business.

## Why Have a Mentoring Program?

Today, the commissioned or sales sector of the real estate industry is facing a combination of two critical challenges.

One, baby boomers are approaching retirement in large numbers and will need to be replaced. Without a human resource pool to draw from, companies may be forced to downsize, change direction or merge in order to survive.

At the same time, new hires in fully commission-based positions often have difficulty sustaining themselves financially. As a result, high drop-out rates and associated costs present a significant problem for many companies.

In fact, turnover of new people is higher in commercial real estate than in most other industries. A contributing factor may be having new hires do "grunt" or "gofer" work for senior staff under the guise of mentoring. Such an "informal mentoring program" has little educational value for the newcomer.

A well-planned mentoring program, on the other hand, will benefit your company in several ways. It creates an environment for learning that reinforces skills and enhances relationship-building, personal esteem and professional development.

Mentees benefit by developing new business, learning new skills and entering new networks.

Mentors, too, find the process a rewarding experience. They feel fulfilled because they are helping another individual and the organization while meeting challenges and honing skills. Many mentors report that they have sharpened their own sales skills because they need to be at the top of their game to be successful advisers.

Although mentoring requires time and dedication, developing and implementing a mentoring program is not complex, provided you do some homework upfront. However, if you need help, you can contact one of the consulting firms that have sprung up in recent years to help companies learn about and establish mentoring programs.

The National Association of Realtors has mentoring information on its Web site, and the mortgage industry has established Mortgage Masters University to meet sales training and mentoring needs.

## What's at Stake?

Real Capital Analytics, a New York research firm, estimates that the total commercial real estate market in the United States is \$4 billion. Many universities, law firms, accounting firms, and Fortune 100 companies have established formal mentoring programs.

Isn't mentoring just as vital in real estate as in other business sectors? After all, your clients and your company seek favorable financial returns, excellent customer service, top-shelf knowledge and experience and timely exchange of information, just as in any industry.

The question isn't what it may cost you to implement mentoring but what it may cost you not to have a formal mentoring program. Unless you have an effective process to pass the tools of your profession on to new associates as quickly and efficiently as possible, your competitive edge and perhaps your very survival may be at stake. ■



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