

# How to Design a Commercial Marketing Plan



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## Introduction

If you are new in the Commercial Real Estate Business, you are probably filled with questions as to how to go about marketing a commercial property. If you are experienced, you know the frustration of trying to find the time to prepare a formal program that works.

Hopefully, whether new or experienced, you will find that the Commercial Marketing Plan will give you the confidence of knowing that when entrusted with the marketing of someone's hard-earned asset, you will be able to provide a program that will get the job done. The system allows you to concentrate on the all-important marketing process and not the initial organization of a program.

The Commercial Marketing Plan is designed to serve three purposes:

1. First, we have all had the experience of having a prospect call and say "come over and talk to me about the marketing of my property." If you have placed a Commercial Marketing Plan onto your computer, all you need to do is to insert the prospect's name, property address, and a visual is created that allows you to show step by step all of the critical parts of that process. Upon putting the plan onto your computer, you will, of course, personalize it with information on you and your company. Upon completion, you will have all of the documentation needed to conduct the initial "Qualifying Meeting".
2. Next, the plan is designed to give you all of the documentation needed to conduct the next "Presentation Meeting" with the prospect. You will have the documentation for data gathering and for getting the seller's signature on the listing agreement.
3. Last, the program provides the actual track to follow in the marketing of the property. It will enable you to uncover, in a systematic manner, all of the pertinent information needed for marketing, structuring, and aggressive prospect determination.

The plan was also designed to promote the concept of the two-call listing appointment: the Qualifying Meeting/ phone call and the Presentation Meeting. Both of these meetings will be referred to on numerous occasions throughout the session.

In closing the introduction, it is important to say the Commercial Marketing Plan should be personalized for both you and your company. With personalization, you will be prepared to compete favorably with anyone in the commercial arena today regardless of experience level.

## Survey of Current Ownership

The plan begins with the Survey of Current Ownership form that is located in the Marketing Plan. The two proceeding pages of the system may, or may not, be used when giving a presentation. It depends on whether or not you decide to leave a copy of the plan behind with the prospect. To leave a copy behind is recommended, but that will be your decision.

The Survey of Current Ownership form is intended to accomplish three purposes:

1. To be your first visual for the Qualifying Meeting
2. To establish rapport with the prospect
3. Qualification of the prospect

The survey starts out by asking "get acquainted" type questions, such as:

- Property Ownership History
- How long the property has been owned?
- Reason property was purchased
- How has the property met owner's expectations?
- How has the property not met owner's expectations?

Primary Motivation for Sale

- Profit
- Avoid loss or expense of holding
- Move to more prestigious location
- Retirement
- More space/larger property
- Less space/smaller property
- Ownership restructuring
- Better use for dollars invested
- Other

Also, in the "get acquainted" qualifying session, you should, of course, look to find common activities on both a personal and professional basis that would assist in building rapport with the prospect.

Next, you will start to qualify the prospect. Is the prospect truly interested in marketing the property or just trying to get a feel for the price and/or market?

Ask questions like:

- Timing issues of a sale, tax considerations, etc.
- Motivating factors in selling
- The financial structure of the transaction that would most meet owner's goals yet still facilitate a sale
- Owner's biggest need to be filled by transaction
- How is the property titled?
- Will the owner require a new space or investment?
- What is the owner's timeframe for marketing the property?

**REMARKS:**

If there are other questions that are important to you, add them. Use any question that is required to determine whether or not the prospect is ready to do business. And do look to determine if you are in fact speaking with the decision maker(s) or if there is another partner you need to speak with about the property.

Should you determine the prospect is not ready to do business, don't forget that this is the Qualifying Meeting and you are practicing relationship sales. This means you will not be discouraged or feel harshly towards the prospect. You will put them into your prospect bank for future contact. If the meeting does conclude here, don't forget to ask for any other business that the prospect may give you.

## Personal/Company Qualifications

You have a lot of credentials to offer to anyone entrusting their property to your marketing skills. If you are new, you have recent courses you have attended and the power of your peers within the company.

If you are experienced, you have the same as above but you can add all of the customers that you have served. Regardless of your experience level, now is the time to brag and the Personal Qualifications form in the Marketing Plan is designed to allow you to do that. This is a form you will be sharing with the owner at all of your presentations.

Once filled out and placed onto your computer, however, you are not done with it. You should be changing it for each presentation to translate your successes into what they will do for your current prospect.

Remember, the prospect does not want to hear how good you are, they want to hear what your qualifications will do for them and how you helped others with their real estate needs. Interpret your qualifications in terms of what they will do for the owner in the area of:

- A higher sales price (your list price to sales price success)
- Broad market exposure (company/personal sphere of influence)
- A quick sale (mention ones that you have had)
- Professional representation (any special negotiation skills)

Next, complete the same exercise for your company on the form located in the Marketing Plan.

## Exclusive Philosophy

The next section, the Exclusive Listing Philosophy, crucial to your success as a commercial real estate practitioner.

To be truly effective and profitable, you must work controlled inventory and you must make your prospect aware that an exclusive listing is what you are seeking. Yes, there will be times that you will not only work, but close an open listing. Don't, however, be "taken in" by professionals in our industry that insist that an open listing is all you can get. With the tools at your disposal through your company and your Prudential affiliation you must believe that you have what most sellers want. That is, the ability to market their property quickly, at the highest price, with the least inconvenience to them.

Most owners do not understand the concept of an exclusive listing. They mistakenly believe that if they give information on their property to many different commercial sales professional, they increase the property's exposure. They don't realize what a sophisticated commercial sales professional does with information on an open listing.

Sure, the information is kept confidential to some extent, but the property is usually not worked. If you acknowledge to an owner that you will even consider working the property on an open basis, you have eliminated any chance of them ever giving you an exclusive. The outline in the Marketing Plan touches base on five areas both you and an owner need to consider about an exclusive.

- Time
- Money
- Credibility
- Qualifying
- Protection

Study the areas before you input this information onto your computer. Does it reflect your philosophy of exclusives? If it does not, change it to reflect what you think. The important thing to remember, however, is that a statement of your philosophy to the owner in the “Qualifying Meeting” is an important step towards working controlled listings.

## **The Property Profile**

The Property Profile is a workhorse performing three functions. The first function is that of a visual in the qualifying meeting. In this capacity, it shows the prospect that you are diligent and complete in your data collection. Don't underestimate how important that is to an owner. Nothing will turn an owner off faster than not taking the time to record every single detail concerning their property. Show intense interest when taking the property tour with the owner. Stop several times to question them on a detail and be sure to meticulously record those details on the Property Profile.

The second function is to be sure that you have all of the pertinent property data needed. Without this information how will you be able to intelligently talk with potential buyers? How will others in your office be able to provide information to interested parties?

The third function is to serve as the basis for your all-important client relationship management (CRM) system. Whether computerized or not this form will serve that purpose. Note in the top right hand corner of the form:

- Quadrant of town
- Property type
- Land
- Industrial
- Office
- Retail
- Investment
- Multi-family
- Other

The design is to allow you to first set up the data by referencing a quadrant of town. From that point, you go to the specific property type desired. This is just an example of how your database can be accessed. You can use any of the fields on the form to access the information: size of the land, building, availability of city services, etc.

If the form is not to your liking, use your own or change this one. Much of your future success, however, will be based on how well you can retrieve the information you have collected.

The Property Profile concludes the visuals for the Qualifying Meeting. From this point on, we will be referring to the use of the visuals in a Presentation Meeting.

\*Many professionals today access property data via sources such as CoStar, Loopnet, REIS and online aggregators of property information. However, should you work in a tertiary market and not have access to these online tools, creating your own database is an alternative.

## **Review of General Market Conditions**

Using the two-part listing process, your job now is to actually prepare the Marketing Plan, which is the subject matter for this section.

The first part of the presentation meeting, begins with a REVIEW OF GENERAL MARKET CONDITIONS. But, before you review market conditions, you need to also review with the customer several items from your Qualifying Meeting. To start the Presentation Meeting, use the related form in the Marketing Plan. The session with the seller would include:

- 1. Review both your and the company's qualifications.**

The owner has probably talked to several sales professionals since the meeting with you. Reinforce your qualifications and your professionalism with a little review at this point.

- 2. Review your accomplishments since the initial meeting.**

Let the owner know that you have been working for them. This is an excellent place to reinforce that you are a full-time professional and that you have many resources that you can bring to bear on the marketing of their property.

- 3. Restate prospect's goals from the last meeting.**

Tell the owner what your understanding is of their goal from the first meeting. Restate the goal as you see it.

- 4. Ask the prospect if their goal has changed.**

Ask the question, "Have you had any changes since our last meeting of which I need to be aware?" You, on the same form, are next going to give a DESCRIPTION OF MARKET CONDITIONS. Here, you are going to tell the prospect what your research has shown about what the market is doing in relation to their property. You need to discuss things such as:



- Time on the market for comparable product
- Current financing trends
- Vacancy rates
- New construction activity
- New Major employers

Don't forget, your owner is looking for someone competent and enthusiastic to market the property. If market conditions are down, you still have to maintain a positive attitude and tone. Don't overdo it, but still, be positive.

## **Competitive Market Analysis**

We will not spend a lot of time in this presentation on the market analysis. Needless to say, it is an integral part of the Marketing Plan. An addition you may want to make to this portion of your presentation could be an A.P.O.D. (Annual Property Operating Data Form) and a Five-Year Cash Flow Projections. The A.P.O.D. and the Cash Flow Projection are particularly effective in illustrating what the owner is asking a buyer to buy. It causes them to ask the question, "Would I buy this if I were in the market?" Many times the answer is "NO," leading to either a better price or terms. Competitive Market Analysis forms are available in the Marketing Plan or you can use data accessed via an online market data source such as CoStar, Loopnet, Reis, and other online aggregators. The A.P.O.D. and Five-Year Cash Flow Projection are taught in CCIM courses. The Cash Flow Analysis form is available through the CCIM program. Both forms are available on commercial produced software, or can be programmed on spreadsheet software such as Excel.

## **The Marketing Strategy**

The effectiveness of the entire program lies in the related sheets of the Marketing Plan. It is from activities on these sheets that the prospects are generated. Some give the places to find both prospect groups and specific prospects. The use of these sections is fairly self-explanatory with the possible exception of the last segment on page 16. In this segment, the reference is made to "CENTRAL PLACE THEORY." Central Place Theory is a concept taught in the CCIM program. The theory simply says that the growth of one intersection, area, or city, will be somewhat similar to the growth of another. If a use is needed in a different but similar area to that of your subject, then the same use may be needed in the subject area.

On the sheets, there is limited room for names of prospects. Obviously, if you are generating more prospects than you have room for on the sheet, turn it over and keep right on going.

In the Marketing Plan, there is an exercise on determining the property's strengths. You will use this information to build both your selling presentation to a prospect and to build your advertising campaign. These will be the points that you will be stressing in your ad copy, brochure, and property package.

Also, now is the time to address the weak points of the property. Know what they are in advance of talking to a prospect. Be prepared to have a response to each of the weakness questions. Even if the weakness is not pointed out by a prospect, if it is glaring to you, you may want to bring it up just to have the opportunity to overcome it. The prospect will be aware of it whether mentioned or not. Take the opportunity to turn it into a positive.

At your Presentation Meeting with the owner, you will have your opinion of the property's strengths and weaknesses. It is a good idea, however, to really involve the owner in this exercise. It will point out a real asset the property may have that you have overlooked and it will also make the owner face the reality that the property does have a problem. Many times, this will result in better price or terms.

Next, on the same page is your Marketing Timeframe. This is where you are committing to the owner that you will not be a "disappearing salesperson." It also allows you to put the marketing of the property on "automatic pilot" so to speak. You will have done a lot of work and put a lot of concentration into the development of the program. Now, if you get the business, just sit back and allow the plan to tell you when to do what. This type of preparation will take a lot of stress out of your business life.

## **Marketing Feedback Report**

The next commitment that you are going to make to the owner and yourself is to stay in constant contact, informing them every step of the way in the marketing process. Page 18 of the Marketing Plan is first for you to review with the owner showing them what your feedback will consist of and it is then to guide you in giving that feedback.

On the form, you will not only be pointing out the marketing effort you have expended, but will also use it as a vehicle to make the owner aware of:

- Any marketing problems encountered
- What would help market the property
- What adjustments need to be made to the Marketing Plan

Schedule your contacts with the owner on a cycle that is comfortable to you. (There are numerous online tools available in the marketplace to assist you in this effort.) But, you should remember that the more frequent the contact, the better chance you have of eliminating problems in your marketing program. If the owner is made aware on a weekly basis of problems you have encountered and the adjustments you have made, the process will run a lot smoother. The contact does not have to be in person each week. One week, it could be a phone call, followed up by the Marketing Feedback Report. The next week, it may just be the report emailed. Once a month, plan to see the owner in person. You will build a business relationship with the owner and a reputation for professionalism for yourself.

## **Price/Terms and Market Recommendation Recap**

The last form provided for you in the Marketing Plan is the Price/Terms and Market Recommendation Recap. This form is where you will be recapping the Presentation Meeting and making your price/terms recommendation. In the first section of the form, you will review your thoughts and recommendations:

1. The Product
  - Highest and best use
  - Potential for physical improvement
  - Would aggressive leasing help
  - Most likely buyer that would be interested

2. Location

What are the strengths of the location to:

A. Employees

B. Vendors

C. Customers

What are the weaknesses of the location to the same group?

3. Competition

- Who is the competition for buyers and lessees?
- Is the competition priced aggressively?

4. Financial

- Price
- Terms

## **Recommendations/Marketing Thoughts**

Spend a lot of time with the owner on items #3 and #4. The owner does not really know how the property should be priced and what terms should be offered. While not always, most of the time they are looking for your recommendation. Yes, they think they know, but usually don't. Relate their price and terms with that of the competing product. Tell them in which order you feel as though each product will sell. Will theirs sell first at the price they have put on it, or will the competitors? You may just uncover some additional time motivation here that you were not privy to before.

The last item in the Marketing Plan will have to be provided by you and your company. It is the listing agreement that you will be using. Remember, you are in real estate and the reason for the Presentation Meeting is to get the business. You must ask for it to get it. If you don't have a listing agreement, you must come back and you will have lost all sales momentum.

In conclusion, the concept of a Qualifying Meeting and Presentation Meeting may be foreign to you. It is a good concept. It works. Don't wait until you are in front of a prospect to practice. When you are in front of that prospect, your presentation must be smooth and polished. Other sales professionals in your company have the need to practice just as you do. Pull them aside, and say, "Let me give you a presentation." You will be glad you did.

## Instructions on Customization

Consider this program a template. With customization (as outlined below) it can be used as it comes off the printer. It will, however, be most effective when a small amount of time is invested to customize the program making it completely your Commercial Marketing Plan. Obviously, you and your company must be qualified to provide any services represented in the plan.

To customize, you will need the following:

- Your Company's DBA
- Name of the Prospect
- Address of the Subject Property
- Name of the Property Owner (if different)

Once you have the information above, go to "Edit" in Windows and choose "Replace". Systematically replace:

- "DBA" with your company name, following Prudential
- "AAA" with your Prospect/Contact name
- "BBB" with the Property Address
- "CCC" with the Owner's name

Prior to beginning the replacement process, be sure the cursor is positioned on this page.

Note: The replacement is NOT case sensitive; choose "Replace All". It is recommended one "master" be kept that contains the original replacement words. (Don't forget; if you need a new master just download it from REsource Center.) Each sales professional should have their own master. Prior to printing, a print preview is recommended to assure pagination has remained correct after the insertion of data.

We wish you great Success!