



IREM Institute of Real Estate Management

The Real Estate Management
Professional

LEADERSHIP
DEVELOPMENT



BUILDING
RELATIONSHIPS

The Eighth in a Leadership Series

IREM® White Paper

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“It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you’ll do things differently.”

– Warren Buffett

In today’s business environment, the ability to create loyal, lasting relationships is crucial. Our clients want to know we value their business. Our teams want to know we value the work they do. And our ability to win new business—and keep what we’ve got—centers on whether we are able to earn trust, credibility, and respect. Credibility, knowledge, and expertise really do matter. If you want your company to be at the top of the list, it is crucial for leaders to focus on building relationships that count. The first step in successfully building professional relationships is to understand that trust and respect are the cornerstones of *any* winning relationship.

HOW DO WE DEFINE TRUST?

Simply put, trust is when people know they can count on you (and your company) to do the right thing. When people trust you as a leader, it means they feel they are able to rely on your strength, ability, and integrity. And integrity is an essential ingredient—if you haven’t got it, not much else matters. They know you recognize and respect others’ sense of worth, and your own. When people can depend on your trustworthiness, they are willing to begin forging a connection.

RELATIONSHIP BUILDING IS AN ONGOING PROCESS

Are trust and respect automatic? Not at all. A leader who is able to garner trust and respect is laying the foundation for fostering relationships on an ongoing basis. Think about it: the basis of most professional relationships used to be a handshake. An actual one. Now, many of us experience only a virtual handshake. While it’s great that we are all virtually connected via social media, a real handshake can be difficult to achieve in an electronic world. The great thing is that we are all now able to expand our personal connections worldwide—the challenge is that we really don’t know many of our virtual friends and acquaintances.

Who do you build relationships with in business? Picture a wheel—a bike, car, or even a wagon—your choice. Now imagine that each spoke of that wheel

represents a “set” of your professional relationships. Most of us will agree that the first set might be our customers—we certainly want to develop priority relationships with our clients. Those are our *external* customers.

Now, think about the other spokes of your relationship wheel. These should represent your *internal* customers—your own team, peers, and bosses. Another set of relationships (the additional spokes on your wheel) are the other “customers” you need to work with every day—the people who work in other departments within your company, the receptionist at the front desk, vendors and suppliers, and company leaders. Be sure to include any other strategic alliances you may have. The list goes on. This is how our key business relationships—and our ability to influence—begin with trust.

CONSIDER YOUR REPUTATION

Reputation is like a fine restaurant: it takes a long time to build, but flames can destroy it in an instant. When it comes to your personal reputation and your company’s reputation, our clients and customers want to know that your knowledge and expertise is both solid *and* repeatable. Will you have to work on developing your reputation in a new area or with people you don’t know? Most certainly. Remember that a personal touch always works best. And if you’re lucky enough to enjoy a stellar reputation, take the time to maintain it—it’s a 24/7 job. Consider what counts most: your reputation comes first.

DO THEY LIKE YOU?

Sure, you’re cultivating connections with others on a professional level to both maintain and hopefully increase your business. At the same time, it’s essential to remember that those connections are more than just names on a contact list, and you must nurture them. You may have had this experience: when you walk into a meeting (or a new job), some people will like you and agree with you from the beginning, some won’t, and others will be perched squarely on the fence. It’s your job to convert the fence-sitters.

It's true, people want to work with others they know and trust. In Robert Cialdini's book, *Influence: The Psychology of Persuasion*, he coins the concept of "liking." Cialdini found that people are more likely to buy (and connect) if they like the person they are working with.

IT'S ALL ABOUT THE CONVERSATION

Here's a specific example of how the concept of liking applies:

Janet works in business development for a large firm with offices located throughout the country. Her company is headquartered in New York City, and leadership is interested in expanding by going into new geographic areas. Janet is well respected in her area and although she travels frequently, much of her work is done over the phone.

In reviewing local business journals in a smaller, secondary market, Janet uncovers several possibilities she is excited about. Confident in her area of expertise and anxious to share the great things about her company, Janet cold calls several contacts she has seen listed in the journals. She thinks she can mention some mutual contacts. Janet finally reaches one person—but he clearly isn't excited to hear from her, telling her abruptly that he is working on aligning with another, similar firm. Janet hangs up, disappointed.

What was the problem? Of course, the immediate issue was that Janet had difficulty gaining access to the people she wanted to meet. And although cold calling can indeed open a few doors, Janet's conversation was not strategic—instead of getting to know the person she had on the phone and making him feel comfortable, she spent most of her time talking about her own company. She had not taken the time to work on her company's reputation and recognition in a new area. As a result, her contact was just that—a contact.

What was her real mistake? Most importantly, Janet underrated the value of nurturing and persuading her personal contacts to ask for an introduction and initiate a conversation. She underestimated the value of *liking*.

The next time you're planning to meet a new contact (or even an existing one), try doing a little homework in advance: (a) it will give you something to talk about, (b) it will demonstrate you took the time to do your homework, and (c) it truly does start the conversation.

BEGIN FORGING RELATIONSHIPS WITH THESE FOUR ELEMENTS

When it comes to trust, four elements take precedence: (1) competence, (2) character, (3) commitment, and (4) engagement. When you're working on building relationships, these elements are an essential part of your story.

1 Competence

It's simple. Your clients want to know three things from you: (a) that you know your stuff, (b) that you know your stuff, and (c) that you can repeat it consistently. You don't have to be an expert at everything, but it's crucial to have the ability to find and use the resources that you need.

One thing to put at the top of your list when it comes to demonstrating competence is "recovery." Of course, mistakes do happen and snafus do occur. Which will your customers tolerate more—poor service or poor recovery? Most customers are more willing to put up with poor service vs. failed recovery—when service recovery goes downhill, our customers believe *nothing has changed*. And, they tell everybody. One negative online review is all it takes to understand this concept.

2 Character

This is your (and your company's) moral compass. People (your clients, employees, the world at large) want to know your values and your motives before they take the time to invest in a relationship with you. Part of being an excellent leader is the ability to share your vision with your team *and* your clients. No, you don't have to tell everyone everything, but obtaining buy-in from the get-go is vital.

3 Commitment

It's your job to get everyone on the same train at the same time, going in the same direction. Your clients want to know where you're headed, and so do your employees. You want them to essentially wave the flag and believe in the value of the relationship. When you're thinking about your vision for your department or your company, try to be as concrete as possible. While it's great to have a vision that's as high as the clouds, sometimes that's tough for people on the ground to follow.

4 Engagement

According to a Gallup survey, only 41 percent of employees felt they know what their company stands for and what differentiates it. Engagement equals connection. And when it comes to our customers and clients, we're either connected—or we're not. Here's where transparency and genuineness pay off.

If you want people to take you seriously in today's global business environment, you must be authentic. Think about your own past work experiences. We all learn to appreciate leaders who don't just talk, but can actually walk the walk. Remember, just because you've been thinking about a particular plan or area of your business for a while, doesn't mean that everyone will immediately understand it. If you're not sure what your team wants, or if you think they may not understand your vision, there's one sure-fire way to find out. Ask them.

Share not only what your company's successes are or how you landed a great account, but show them what went wrong too. People love to hear that we are vulnerable and that translates to transparency—tell them what went wrong and what you did to turn the situation around. And in a virtual world, personal acknowledgement truly does make all the difference—for example, take the time to learn what is important and valuable to a future business contact.

WHAT IF YOU'RE A NEW LEADER?

We all want to work with people we can trust and respect. Hopefully, we can learn something from them too and build lasting relationships. It isn't always easy for people to work together, but most of us have to collaborate with a variety of people at some point. When you're a new leader—either new to business or new to a company or job—there are three things you can do to start your transition out on the right foot.

1 Meet everyone

Even if you're a high-level manager, it's important to meet—and pay attention—to everyone in your organization. You need to learn about them, connect with them, and *earn* their trust in order to succeed as a leader. If you're not great at remembering names and a little bit of information about each person, find someone to help you out. You'll begin to build rapport and forge connections.

2 Use the "Hello" Zone

If you've been to a retail store recently, you're probably familiar with the "hello" zone. For example, perhaps you are in the grocery store and stop to ask a clerk where you can find a particular item. Instead of just vaguely waving you toward the back of the store or saying "it's over there," the clerk says "Let me show you where it is" and leads you right to your item. Your conversation doesn't have to be complex. That type of personal, focused attention, and consistency earns trust. *That's* the hello zone.

3 Reach out

Since you'll need to collaborate with others—likely sooner vs. later—look for and identify people in your company who can help you by providing a different perspective on your project, your team, or the company. Initiate a casual conversation. Who knows where it will lead?

YOU CAN EFFECTIVELY BUILD RAPPORT AND SUPPORT

Think about how you can connect with others. First, look for shared experiences. More than likely, someone in your group or team has a similar background or expertise, or has worked with a mutual colleague or client. If you're not sure, ask—this is one way to get the conversational ball rolling *and* gain commitment.

Next, give them something they can use. Before you ask a potential customer for his or her business, give them something first. Think about what you can do to help someone be smarter or better at their jobs or gain more business. Show them the value of alternative solutions to their problems or issues. It could be something as simple as a pertinent article, or it could be a way to build another relationship.

Take Kate, for example. As head of an operations department, she soon realized that she would need to work closely with both her own customers and with the sales department. She listened closely to the company's salespeople and learned what they really needed was access to a few large clients she had worked with over the years. Her ability to open a few doors proved invaluable and solidified her relationship with the sales team.

Be flexible—stuff happens. Don't be afraid to admit mistakes—fix them. People will see by example that you do what you say you'll do. While you're demonstrating your ability to recover from snafus, learn from them too. Take the time to chart a few concrete "lessons learned" after each project—often there are tactics you can apply to the next one.

Consider this quote from Steve Jobs—it applies not only to our customers, but to our teams: "Get closer than ever to your customers. So close, in fact, that you tell them what they need well before they realize it themselves."

While we're all busy being busy, one important way to connect with people is to actively reduce the chatter. We've all been in meetings where someone (everyone) is on their choice of electronics. In your next meeting, make the effort to put yours away and *really* listen.

GENUINELY SOLICIT FEEDBACK

Stage actors in a play have it easy—they get immediate feedback from their audience and know how they're doing right away. Sometimes we are a little worried about asking either our employees or our customers for their feedback. Why? Because we want people to like us, our work, and our company, of course. And, we're not always sure to do when they don't. Take the time to meet or have lunch with someone you know (inside or outside your company) who is great at building relationships and ask how they do it. They just may be able to provide you with some great tips.

Our employees want to work for—and our clients want to work with—leaders they like and respect. Do you want your company at the top of the list? Here are five key questions to ask yourself and your team. Then get ready to put your action plan in place!

1 What is it like to work for me?

Now's the time to look in the mirror. Put yourself in your employee's or client's shoes for a moment. Do they know they are being treated fairly and with the respect and commitment they deserve? For example, if an employee comes to you with a question, make sure you are consistently demonstrating your confidence in them and showing them you value the work they do. They'll be with you for the long run.

2 Does the company clearly communicate its goals and direction?

After you've looked in the mirror, turn your attention to your company goals. If yours, for example, is to become best in class in your category, try surveying your team. Can you clearly articulate your company's vision, from top to bottom? Take the time to find out if your crew truly understands your firm's goals. You may be surprised!

3 Does top management exhibit genuine concern for employees' well-being?

David was recently charged with training teams from various remote offices in his company. When he arrived at a recent training session, he was startled to overhear two participants complaining about recent organizational changes in their company. The kicker? Their boss agreed with them (publicly) that the changes were driving the organization into the ground. Did he earn their trust and respect? Not likely. Face it: Employees will know it if you're all talk and no walk. Now's the time to reassess.

4 Do employees feel their work is valued?

If Gallup is correct, many of our employees are not engaged in their work. Taking the time to make sure everyone knows the work they do is important can result in a big payoff—engaged employees and satisfied clients.

5 Do employees have clear accountability?

This one starts at the top. Make sure everyone understands his or her level of accountability and responsibility. If you're wondering exactly how important trust and respect are to your business, remember Enron.

It isn't always easy to win people over. Remember, building relationships really comes down to a handshake. When you take the time to earn trust and respect, you hold the key to future business right in the palm of your hand. To help with the process the following identifies the type of behaviors that are common to people with good relationship-building skills, plus specific development tactics for improving those skills.

RELATIONSHIP BUILDING

Builds high quality lasting relationships.

KEY BEHAVIORS

1. Initiates and participates in casual conversation
2. Compliments and affirms others
3. Develops rapport with a variety of people
4. Seeks opportunities for contact that builds relationships
5. Modifies communication style to fit the personality and culture of others
6. Addresses disagreements, conflicts, or upsets in ways that build relationships
7. Builds relationships by sharing personal experiences and perspectives
8. Creates opportunities and events that help people build relationships with each other

DEVELOPMENT TACTICS

1. I will ask my manager, my peers, and others to describe my strengths and weaknesses regarding building relationships.
2. I will attend a seminar on conflict resolution to improve my relationship skills.
3. I will do an inventory of my strengths and weaknesses regarding developing relationships.
4. I will have lunch with and interview someone who is excellent at building relationships, and ask them: how they became good at it; for examples of different ways they have built relationships with different people; what skills they use; and advice they have to help me improve my ability to build relationships.
5. I will keep a “learn and grow” log. What have I learned that helps me establish relationships? How have I grown in my ability to build relationships?
6. I will keep a log of actions and ideas to build relationships.
7. I will keep a log of ways that I modify my communication style to fit the personality and culture of others.
8. I will keep track of opportunities I seek or take advantage of to build relationships.
9. Once a day, I will compliment a co-worker on their work.
10. Once a month/quarter I will organize an event for my business unit or team to help them develop their relationships with each other.
11. Once a week I will consciously talk about my own personal experiences in order to build a relationship.
12. Once a week, I will initiate contact with and try to build rapport with someone in my organization that I don't know well.
13. Once week, I will have lunch with a co-worker, my manager, a client, or a peer and discuss things other than business.

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