

Key Planning Questions

Setting a vision and a strategic business direction for a real estate company can be a complex and uncomfortable assignment. For many real estate organizations, planning for the future can be a difficult game with new rules and new players. Frequently, CEL & Associates, Inc. is asked to assist real estate organizations in identifying and answering the challenging question, "... where do we go from here?"

To help you and your organization, we have extracted 30 of the nearly 75 key strategic and business planning questions we typically address in a long-range planning session with a real estate company. We invite you to review these questions and encourage you to include some or all in your budgeting, performance goal setting and strategic planning activities. We know that if an organization can answer these 30 questions, its productivity, performance and profitability will go up.

So we invite you to close the gap between concept and reality. There is much more to long-range planning than writing down flowery phrases or completing next year's budgeting process on time. Hopefully your answers to these 30 questions will give you a start in the right direction.

It is important to note that this is a partial list of questions, and that they have not been listed in terms of priority or sequence.

1. What is the company's vision? Do all owners, senior executives and employees understand and share that vision? Are all interests aligned? Is the vision realistic? How does the company's vision relate to current budgeting and business practices? How does the vision relate to performance evaluations and compensation/rewards?
2. What trends are impacting the real estate industry, and in particular, your company, your market(s) and your competitors? Are these trends a threat or an opportunity? Why? How have and how are you addressing these? What will it take to be successful in the future?
3. What are your competitors doing? Are there lessons to be learned from their successes and failures? What competitor is clearly your performance benchmark?
4. What products, services and organizations do you consider to be state-of-the-art in the area(s) in which your company competes? What are you and your company doing to match and exceed these standards?
5. Who are your customers/clients? Why have your customers/clients selected your organization? What trends are or could affect their ability to buy, lease and/or utilize your company's services and products?
6. How are you and your organization seeking new ways to gain a competitive advantage? What market(s) do you currently serve? What is occurring within those markets that could positively or negatively impact performance? What are you doing to overcome market limitations? Are there new markets/opportunities you have elected not to pursue? Why? What products and/or services does your company provide that are state-of-the-art and give your organization a competitive edge? What makes your company unique?



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Key Planning Questions, continued

7. What do your customers/clients want? How do you know? What data validates this conclusion? How do the needs of your customers/clients relate to the company's vision, long-range business plan and current budgeting activity? Which customers/clients' needs matter the most to them? To you?
8. How would you define the organization? What do your employees think? Does everyone share the same vision, purpose, commitment and understanding? If not, what are you intending to do to correct this problem? Does your 2003 budget reflect a consensus within your department, division, region and company?
9. How is your organization different from your competitors? How does this distinction relate to your business planning process? Are your assets too geographically concentrated, or are you too dependent on a handful of clients? What portion of your cash flow do you truly control?
10. What is the organization's potential? Why? Is this potential realistic? What will it take to achieve this potential? What is holding you back? Can full-service real estate organizations be successful ... or conversely, what factors must be in place for a full-service real estate firm to succeed? Can specialized real estate organizations be competitive today?
11. What are your company's most important and dominant capabilities, skills and strengths? How does your current planning take advantage and leverage those skills? How does your organization define a superior client relationship? In fact, do you have any?
12. How can you reduce costs and improve productivity within your department, division, region and company? Over the past 12 months, how have you changed the way you directed and/or performed your responsibilities/duties?
13. What have been the principal reasons for your company's success in the past? Are those reasons present today? Will they be present in the future? What do you and the organization plan to do if those reasons suddenly disappear?
14. What opportunities exist today and in the near-term? How is your department, division, region and company taking advantage of those opportunities? Are the roles clear within the organization as to who is responsible for generating and capturing new opportunities?
15. What are the performance milestones or benchmarks upon which you and the organization will measure its progress, performance and excellence? Are the goals set too low? Too high? Who is accountable?
16. Is your company organized to adapt to changing market conditions? Is your technology able to respond to client/customer reporting, information, communication and management needs? What steps have/are you taking to stay ahead or stay current with technological advances?
17. What new products, services and/or skills have been added to give your company a competitive edge? If none... why?
18. Are the company's current reporting and information systems responsive to customer and client needs, internal requirements, reporting needs, budgeting and accounting uses and performance benchmarking? How would you rate your market research and "forward planning" process(es)?



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Key Planning Questions, continued

19. How is the reward system set up? Does it provide incentives for breakthrough performances? Is it fair? Does it over or under pay individual performances? Are there long-term incentives? What is the current morale/attitude of employees? What rewards/incentives are in place to motivate and retain the stars?
20. How have you and your department, division or region organized to communicate and work with, for and in support of other departments, divisions or regions?
21. How do you intend to get more business? What facts support these proposed activities? Who is responsible?
22. How do you define quality within the organization? Do others share the same definition?
23. How have you and the organization improved teamwork, efficiency, effectiveness and profitability?
24. Who is your successor and the #2 individual within each department, division or region? Who will lead if the leader is suddenly unable to? Is succession planning in place?
25. How are you and your department, division and region contributing time, resources and skills within the communities you serve and the professional organization of which you are a part?
26. Are there in-house skills or services that could be out-sourced? If so, why aren't they? Of all the responsibilities that you have today, which, if you had a choice, would you prefer not doing? Why haven't you abandoned those responsibilities? If you had a "clean slate", how would you reorganize your company and its priorities?
27. Are there technologies in other industries that your organization could "cannibalize" to your advantage?
28. Does your business logic make sense? Have you changed the way you conduct business based on prior years' experiences and perceived future years' opportunities? If not, why not? What business area(s) have the greatest potential for growth and profit? How do you intend to expand?
29. What is your capital plan? Is it creative, realistic and achievable? Where will the investment dollars come from?
30. Is it time to sell all or a portion of your company and/or bring in a capital partner? Should your company grow by merging acquisitions or internal means?

For more information on how CEL & Associates, Inc. can assist you in becoming a more profitable organization and improving individual and company performance, please call 310.571.3113 or email us at cel@celassociates.com.