

[Education]

Cost-Effective Class Time

How to Maximize Staff Training While Minimizing Impact on the Bottom Line

By Eugene Gilligan

Commercial real estate firms could be forgiven for taking carving knives to their training programs in the face of today's declining revenues. But while many say they are looking at cost-effective solutions to train their employees, heavy investment in employee training continues to prevail.

"Cost effective" is the key, and changes have been more a matter of substitution. For example, companies are taking a new approach to educational seminars at trade conferences.

"We're being wise and prudent with every expense," said Cheryl Klem, chief of organizational development & human resources director at real estate investment management firm Buchanan Street Partners. Rather than send two employees to an educational course at a conference, the company often sends just one, with the understanding that that person will brief the other when they return to the office.

In addition, rather than outsourcing training or hiring a dedicated person in house, companies are tending to use existing staff, including senior executives, for both in-person and electronic training, bringing in outside consultants only for specialized reasons.

"We may get an attorney in to talk about tenant bankruptcy because that's become a very important issue," said Arthur Pasquarella, executive vice president & COO for real estate fund manager and owner BPG Properties.

In the case of sensitive legal issues like how to address sexual harassment in the workplace, as well, "we want to have someone who is very current with the law," said Margaret Plummer, vice president of employee development for multi-family REIT Camden Property Trust.

Thus, while real estate companies are ultimately spending less on training than they were in the middle of the last decade, according to Kenneth Meyer, principal at Deloitte Consult-

ing, cuts are being made on a targeted basis.

Apart from the grim reality of lower revenues, Meyer says there are logical reasons for certain cuts. "We're not seeing firms install major technology systems, such as property management," he said. Such installations require training, as does breaking in new employees, also an area of reduced need.

Other areas are seeing little or no fall-off. For example, companies are still encouraging employees to take courses to maintain their professional real estate or accounting designations.

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And as the U.S. government expands, many firms are training their employees in the best ways to win and keep this business.

"We're seeing programs being rolled out that educate their people on the best way to deal with this new class of customer," Meyer said.

To meet new market realities, Jones Lang LaSalle Inc. is focusing on issues such as "solution selling," according to Monna Nevils, the company's senior vice president of human resources. This helps them better answer such questions as, "How do you understand and meet your client needs that aren't transaction based?" she said.

Another provider sees increased demand for financial literacy across the real estate jobs spectrum. "There's demand for more sophisticated understanding of real estate as an investment," said Joseph Greenblatt, president &

CEO of multi-family management company Sunrise Management and senior vice president of the Institute of Real Estate Management. "Property managers, for instance, want to have a good grasp of financial analysis."

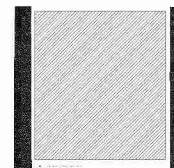
Many real estate firms are taking advantage of the interactivity and convenience that e-learning platforms provide. In fact, there are numerous online educational opportunities, including webinars, classes and other offerings. Accounting, law and real estate firms have added to the mix with their own programs, in large part to stay connected with their customer bases. That has cut into attendance at some industry events despite the attraction those events offer in the form of professional credits.

E-learning tends to be both more cost effective and less time consuming. Furthermore, webinars can be attended in two- or three-hour sessions stretched over a long period of time, making them more flexible than training at conferences, which might require two or three full, consecutive days to earn the same professional credit.

"It really is a phenomenal advantage," Meyer said.

Online classes can also be used to educate staff. Jones Lang LaSalle's employees are making increasing use of its e-learning platform. In 2009, employees logged 50,000 hours of time at JLL e-University, a 56 percent increase over 2008.

Podcasts are perfect learning tools for a workforce that is, more often than not, in motion, Nevils said. Among those at Jones Lang LaSalle, as part of its "Summer of Development" e-learning platform, the firm recently offered "Simply Strengths," Marcus Buckingham's program that helps employees identify work activities that make them feel strong, and "Harvard Manage Mentor," a series of interac-



tive programs designed to enhance manager capabilities in building high-performance teams.

And some real estate firms have found room for more personalized e-programs. CB Richard Ellis Inc., for instance, has introduced two new e-learning platforms in the past year aimed at professionals in different career stages. One program, targeted toward sales professionals with about two years of experience, directs participants to learn more about the company's history and capabilities while teaching core real estate skills (understanding leases and real estate finance basics) and how to develop and deliver effective selling presentations.

The other new platform, just unveiled in January, consists of sessions with the company's top sales representatives. Other sales representatives have the opportunity to review these topics, which are centered on challenges facing today's commercial real estate market, with their peers.

Despite the growing interest in electronic learning, though, some still find value in in-person programs. Kyle Schoppmann, senior managing director of CB Richard Ellis, notes that a program in the company's New York tri-state region office called "The Wheel" has attracted attention throughout the company. The program rotates a small number of new hires through all of the firm's service areas throughout the course of a year, in two- to three-month increments.

And real estate valuation firm Integra Realty Resources runs a large training event every fall, the Integra Vegas Academy. "Training is always better in person. We get the full attention of our attendees for several days, without the distraction webinar training tends to attract," said Jeffrey Rogers, Integra's president &

COO. "We find that our employees do better when trained (in person) and webinar is used as a follow-up. Also, with 800 employees in 59 offices around the country, we get a lot of synergies bringing people together from around the country."

At Camden, the majority of training is conducted through classroom instruction, as well as through a strong mentoring program. About 20 percent of instruction is

through e-learning.

Instructors provide a "richer experience" to their students than they can receive through an e-learning regimen, according to Plummer, and human instructors are able to educate students about Camden's culture, with the additional benefit of being able to provide extra help to a student who may be struggling with the coursework.

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At BPG Properties, mentoring is considered a strong piece of the training program, and it is very much in person. In fact, it could be assumed that the mentor and student are “joined at the hip,” noted Pasquarella, with the new hire attending meetings and sales calls with the mentor. And if the student flounders, it is made very clear that the mentor is “not helping,” he said.

At the same time, the pupil can teach the mentor some new ways to do things. “I think it’s a program that goes up, down and sideways,” said Pasquarella.

Pasquarella, the 2010 board chair for The Counselors of Real Estate, says such an organization can also provide training at the highest levels. “It provides a forum for me to reach out to my counterparts,” he said.

Joseph Ditchman, partner in Colliers Ostdorf-Morris, agrees. “We don’t want our employees to become stagnant,” he said, noting that the firm takes full advantage of educational programs offered by NAIOP, CCIM and CRE. Other learning opportunities can be found at Cleveland State University, which sponsors a robust lecture series highlighting the city’s top commercial real estate executives.

Certainly, both e-learning and in-person training have their benefits, and not everyone has settled on the best balance.

“We’re seeing demand for e-learning; it is cheaper and more convenient,” Greenblatt said. “But there is still demand for high-touch learning.”

The two questions that lie at the heart of the issue, Greenblatt said, are how employees learn in the most efficient manner and how their companies want them to learn.

“The key is to procure the right training to meet a company’s evolving needs,” Meyer said. “Those that make the smart decisions will live beyond the current economic challenges.” **CPE**