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## The mind-set of an owner

**I**t was the defining moment in my career when I came to the stark realization that I needed to acquire a higher level of understanding of the ways owners really think and attack problems!

I believe that every property manager should seek the opportunity to work directly for an owner for a minimum of two years at the commencement of his or her career. The knowledge gained would provide a depth and vision that would greatly benefit managers throughout their entire professional careers.

Gaining the “*mind-set of an owner*” is the key differentiator between a good property manager and a great property manager. Great property managers focus on the “*best interests of the owner*” and continually “*think like an owner*.”

A few examples can best illustrate this critical mind-set and approach. I had the great privilege of working with Etkin Johnson, a great owner/developer, for many years. I recall vividly that we implemented a very detailed tenant survey to benchmark our performance with our tenants and to identify their specific leasing needs. Upon tabulating the results, I proudly presented them to ownership, expecting a “pat on the back” for our team’s diligence in securing responses from 73 percent of our tenant base. I was asked if I was pleased with this result. I proudly answered in the affirmative – as the industry average was in the low-60 percentile. I was then asked this penetrating “*owner mind-set*” question: “So, Steve ... are you suggesting that



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we should be ... *satisfied* ... with not receiving any response from 27 percent of our tenants?” I felt like a deer in headlights! There was simply no good answer but absolutely, unequivocally, “NO!” Personal visits were then instituted and the mission was accomplished! The bar had been raised to 100 percent responses from our valued tenants. What a great lesson in vision, with real heartfelt concern and attention to every precious tenant.

Another example: At the very beginning of my career in property management, I worked for a great owner/developer of shopping centers. I will never forget the day I was taught this absolutely critical “*owner mind-set*” lesson. I was having lunch with the owner, savoring my double cheeseburger with fries along with a thick chocolate milkshake, when the owner pulled out a file containing our most recent delinquency report. What an “*inappropriate*” and I might add “*inconvenient*” time to review tenant delinquencies with my mouth full of hamburger and greasy, but very tasty, fries! I sensed immediate indigestion coming on and quickly excused myself to the toilet to swallow an entire pack of Roloids, which did not help in the least! When I returned to

the table, not only were my fries cold and milkshake limp, but also we then painfully, slowly, meticulously went through *each and every* 30-day delinquency, *each disgusting* 60-day delinquency (of which there were many) and, finally, the *grotesque* 120-day-and-over delinquencies. It was without a doubt the most humiliating experience in my entire career. In fact, it was so traumatic that I am quite surprised, but very thankful, that I can still eat cheeseburgers, fries and chocolate milkshakes!

To make sure that I was experiencing more than indigestion, this great owner then shared this heartfelt assessment, declaration, or whatever else you want to call it: “Steve, how *generous* you are with someone else’s money,” repeated not once but three times! What a gut check – what a reality check! This lesson has served me well and I am so thankful that I experienced it. I have learned from it!

Great property managers really do target issues their owners care about! And as property managers have less control over the income side versus the expense side, to become one of the great property managers, we must (with urgency) pay strict attention to detail – from carefully reviewing all invoices to ensure that all work was completed in a timely and professional manner, to religiously bidding vendor contracts to minimize costs and to extract value.

I am so appreciative of the great privilege I have had of working with and experiencing “*great owners*” who have engaged my heart, mind, digestive tract and feet!▲