

2024 TOP KEYNOTE SPEAKERS: See Who Made the List

RealLeaders

THE COMMUNITY FOR IMPACT

Real-Leaders.com

**Maria
Menounos**
BE THE CEO
OF YOUR
HEALTH

Plus
COLLABORATE
WITH THE
COMPETITION

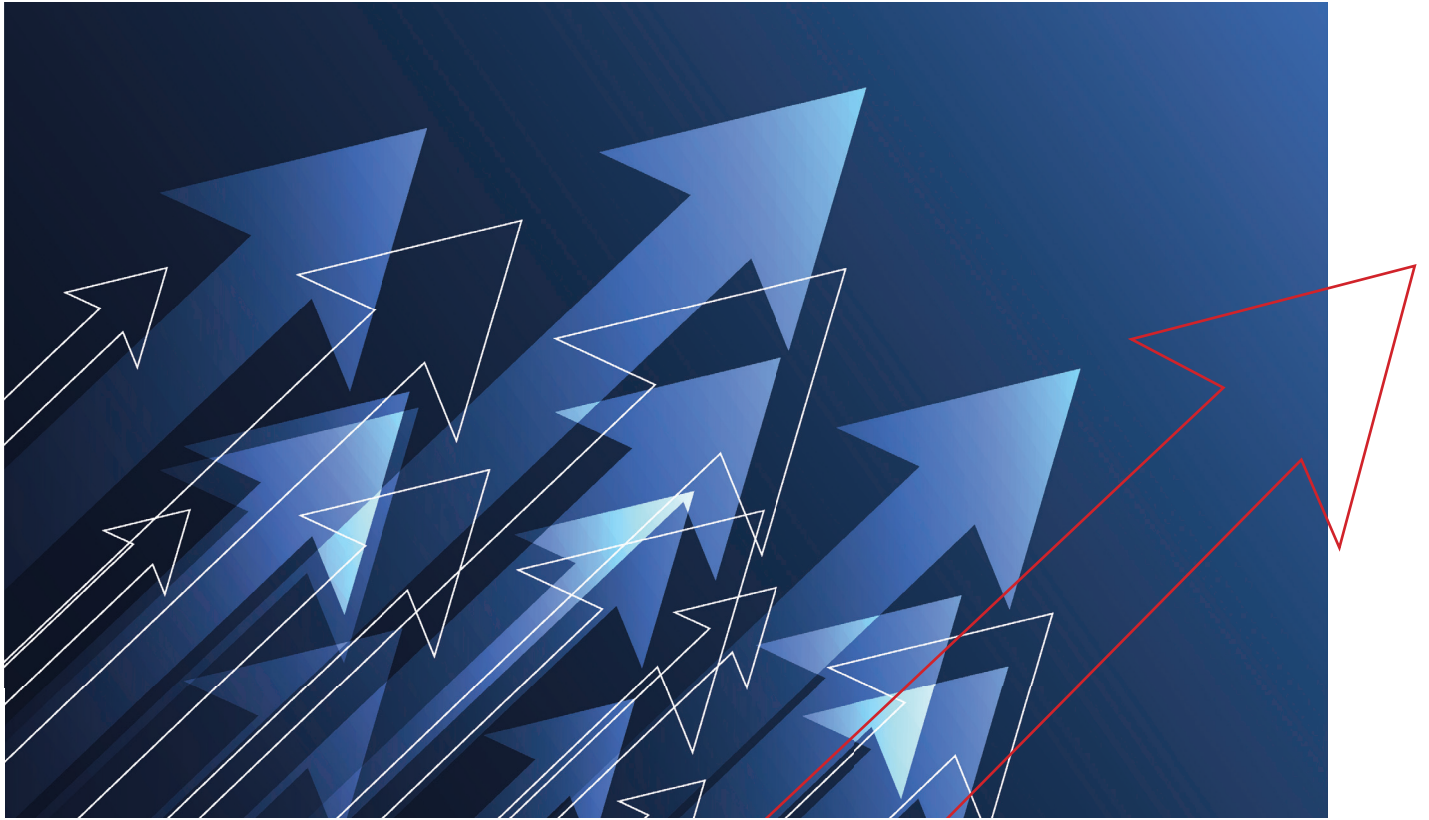
HOW TO

REEL IN A SHARK

Daymond John on Making the Perfect Pitch

SUMMER 2024





SYNERGY

The Power of Collaborating with Competitors

By *Mark Van Ness*

Can you start a company with no debt, no private equity investors, and no initial public offering strategy and grow it to be one of the top 10 companies in your industry — all with a strategy of collaborating with all your competitors? At the age of 30, that's what I set out to do. Today, SVN is the trusted advisor on over \$20 billion a year in commercial real estate transactions — that's about a deal every hour, 24/7. Perhaps our story will inspire you to see your competitors in a completely new light.

Imagine what it would be like to be trusted by all your competitors. Now,

➔ **QUICK TAKE**
Creating competitive bidding is far more effective than the commonly used wholesale buyer approach.

picture the power of mobilizing every one of your competitors to increase the value that you bring to your clients. This strategy enabled SVN to quickly grow into a top 10 commercial real estate services firm, first locally, then regionally and nationally.

I had previously led a turnaround for a typical investment real estate company that looked at its business as a zero-sum game. Like everyone else in the industry, the company did its best to keep the competition from selling its listings in an attempt to retain the entire commission. I saw countless listings expire or sell for less than they were worth with this all-or-nothing policy, and I realized that there was a better way than this very limited, dual-agency approach.

SVN was founded on the client-first principle of sharing our fee with the procuring broker with the best offer. Yes, it means we sometimes make less so that our clients can make more.



Our clients appreciate that, and their loyalty and referrals have placed SVN among the Real Leaders Top Impact Companies and Inc. 5000 fastest-growing companies several times.

This concept of making more by making less per transaction can work in other industries as well. Investment bankers, for example, operate under the same limited competition model with high fees and underwhelming results. By increasing the demand and the number of retail bidders, anyone can increase the sales price of their assets. An enterprising young entrepreneur could disrupt that industry today. This is the basic law of supply-and-demand at work. The more qualified buyers you have, the higher the competition for your asset, so the higher the price and terms you will achieve.

A few years ago, we put this fundamental strategy to the test. We commissioned an academic study of nearly 15,000 commercial real estate sales over a 10-year period. When the buyer was represented by a different brokerage company than the seller, they generated a 9.6% higher price, on average, than those kept in-house with the same brokerage company representing the buyer and seller.

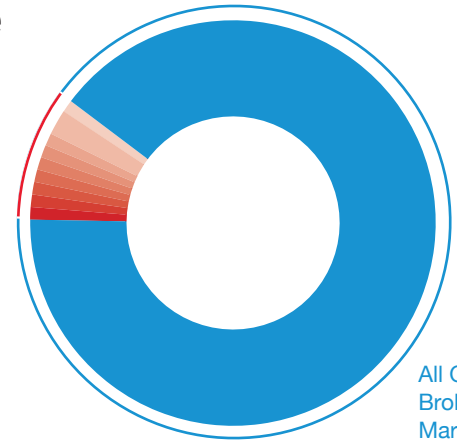
It makes sense that no one company can have trusted relationships with the hundreds of thousands of ultra-high-net-worth investors plus millions of high-net-worth investors. And no one brokerage company represents more than a tiny fraction of the market. In fact, the top 10 brokerage companies combined only represented 10% of the transactions last year. That's why the SVN strategy of collaborating with our competitors to create competitive bidding for our clients has been far more effective than the wholesale buyer approach that the majority of the industry practices.

This strategy would be easy to duplicate, and we only expected a two-year edge before competitors copied us. But 37 years later, they're still stuck operating in the shortsighted, outdated model from the last century. Meanwhile, SVN has risen from a startup to the youngest player in the top 10 companies in its field. To us, this proves that if you actually deliver more value to your clients and customers, they will beat a path to your door. And if you can find a way to collaborate with your competitors for the benefit of your clients, magic happens. ■

Mark Van Ness is the founder of SVN International and Real Leaders.

Market Share

Top 10
Commercial
Real Estate
Service Firms



All Other
Brokers'
Market
Share

SVN's Core Covenants

A company's core values provide clarity on what is truly important for organizational success, personal and professional conduct, and what to expect from each other. SVN's Core Covenants personify its values and culture and differentiate it from the competition.

As members of the SVN Shared Value Network, each employee commits to do the following:

- ➔ Create amazing value with their clients, colleagues, and community.
- ➔ Cooperate proactively and place their clients' best interests above their own.
- ➔ Include, respect, and support all members of the commercial real estate industry.
- ➔ Honor their commitments.
- ➔ Personify and uphold the SVN brand.
- ➔ Resolve conflicts quickly, positively, and effectively.
- ➔ Take personal responsibility for achieving their own potential.
- ➔ Excel in their market area and specialty.
- ➔ Focus on the positive and the possible.
- ➔ Nurture their career while valuing the importance of family, health, and community.



Download SVN's 9.6% Report on the pricing advantage of cooperation at <https://bit.ly/4aUB0TJ>. Read SVN's Core Covenants at <https://bit.ly/3H4ypc4>.