

## Dominate your market now...



M&A in a down market... it's easier than you think!

Record foreclosures! Record days on market! Record drops in transactions!

Bad news is everywhere these days. But these same headlines could be good news for those willing to invest in a down market. There are three ways brokers can operate in this type of environment:

1) They can try to survive however they can including going back into sales;

2) They can “hunker down” and ride out the storm by cutting expenses and squeezing whatever productivity they can from agents and managers; or,

3) They can capitalize on the fact that not everyone is in as strong a position as some might be in order to consolidate market share and come out of this trough stronger and more dominant than before they went in.

**Jim Fite of CENTURY 21 Judge Fite in Dallas, TX** is operating in the second and third categories simultaneously. While he is “hunkering down” and looking at every aspect of his P&L, he is also keeping an eye out for potential acquisitions. Having acquired 30+ companies in the past 15 years, Jim knows how important this can be to the growth of a company, particularly when the market is down, “There are GREAT opportunities RIGHT NOW for those who want to capitalize on the market and give companies in trouble an exit strategy... and save face” says Fite.

As the old saying goes, “necessity is the mother of invention”. In today’s environment, one must think quick and act quicker; be creative and execute on those ideas; and, most importantly, be visible

in the market talking to agents and brokers all the time. You never know who might be looking for the opportunity to merge with or sell to your company as a way to exit in a respectable and positive manner.

If you are in a position to look at acquisitions, here are a couple of things to keep in mind. Your competitors have pride and ego regardless of what their current situation might be... treat them with the utmost respect in any conversation you may have with them. In addition, brokers will always think their business is worth more than you will, therefore, don’t focus the conversation on money, rather, spend time talking about what is important to them such as family, quality of life, how they are dealing with the current market, etc. If there is a fit and some synergy, you will find a way to get the deal done.

Fite adds, “When talking with a prospective merger candidate, be sensitive to their past success and their current situation. Listen a lot. Look for mutual solutions. Look for the win/win for all parties. Be caring for their people – after all, we are in the people business.”

In every industry, there are countless examples of companies who were proactive during the slow periods and were able to consolidate their market share at a time when the cost to acquire was lower than in the good times. A year or two from now, we will be talking about those real estate brokers who saw opportunity and acted. Many will have put themselves in much stronger positions than they were prior to the current real estate downturn.

About the Author: Jose I. Perez, Jr. is the President of PCMS Consulting, a full service consulting organization. Mr. Perez spent thirteen years with Realogy Corporation and its predecessors, most recently serving as Senior Vice President of Franchise Sales and Acquisitions. He earned his MBA from the University of Texas at Austin and is a resident of Atlanta, GA. He can be reached at 404-272-4646 or [jperez@pcmsconsulting.com](mailto:jperez@pcmsconsulting.com).