

Be110

TENANT CHAMPIONS

MAKING THE COMMERCIAL REAL
ESTATE EXPERIENCE **UN-REAL**

What it takes to turn around
a broken industry

HOW TO GET THE MOST FROM
YOUR DOLLAR

FINDING AN ADVOCATE TO BRING VALUE TO YOUR DEAL

WHY TIME IS ON YOUR SIDE

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Several years ago we embarked on a simple information gathering campaign asking our existing clients what more we could do to provide a better real estate experience.

TREATING PEOPLE RIGHT: IT'S HOW WE DO BUSINESS.

What began as a simple exercise transformed into a corporate mission. We conducted research to better understand the perception of the commercial real estate industry as a whole and what we uncovered wasn't pretty.

The lack of transparency in the real estate process resulted in industry distrust. Representatives were often viewed as working in opposition to their client's best interest. What's more, there was the feeling that the broker's compensation took precedence over the client's business and financial goals.

We took these findings to heart and viewed it as an opportunity to redefine the industry and provide a far better real estate experience.

We devised a solution that upends the traditional brokerage model and fixes the problem of misaligned incentive. Additionally, our company is staffed with a team of salaried specialists, each with specific skill-sets, to serve our clients in their precise capacity, at the ideal time.

People have questioned the sanity of turning a multi-trillion dollar industry on its head, but the more they hear, the more they understand. That's what's exciting to me; looking a prospect in the eye and witnessing that "aha moment." A smile spreads across their face and they say... "Yeah, that makes sense!"

MARK BETHMANN

mbethmann@bellchampions.com

TOP 5 THINGS TO KNOW ABOUT SUCCESS SHARING:

5

The Bell model is the reverse of most commercial real estate practices.

4

We base our compensation on the value we create.

3

We share commissions and savings with you.

2

The more you save, the more we make.

1

We want you to save!

YOUR DOLLAR GOES FARTHER WHEN YOU ARE PROPERLY ALIGNED



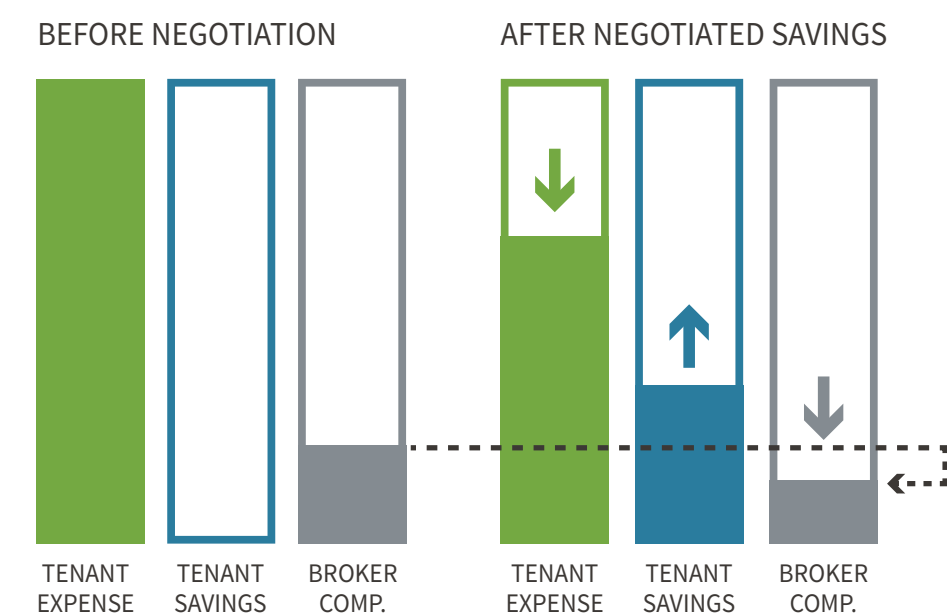
Typically, a broker's compensation is calculated as a percentage of the total deal. The larger the deal, the more they make. This misalignment offers no financial incentive for a broker to reduce the total costs of the transaction. On top of that, brokers normally represent the landlord and the tenant or buyer, which can create a possible fiduciary conflict. They're legally obligated to tell the landlords they represent how much a tenant or buyer is willing to pay, which impairs their ability to negotiate on your behalf.

At Bell Tenant Champions, we believe alignment is as important to business deals as it is to well-maintained cars. If our interests aren't aligned with our clients', the relationship breaks down and the deal gets left on the side of the road. We believe in reappraising the practices of commercial real estate transactions for the

benefit of economic performance and impact. It makes sense that the practice should work for the collective benefit of all parties—tenant, buyer, and broker. We believe the only way we succeed is if you succeed, and that reciprocity is best for all.

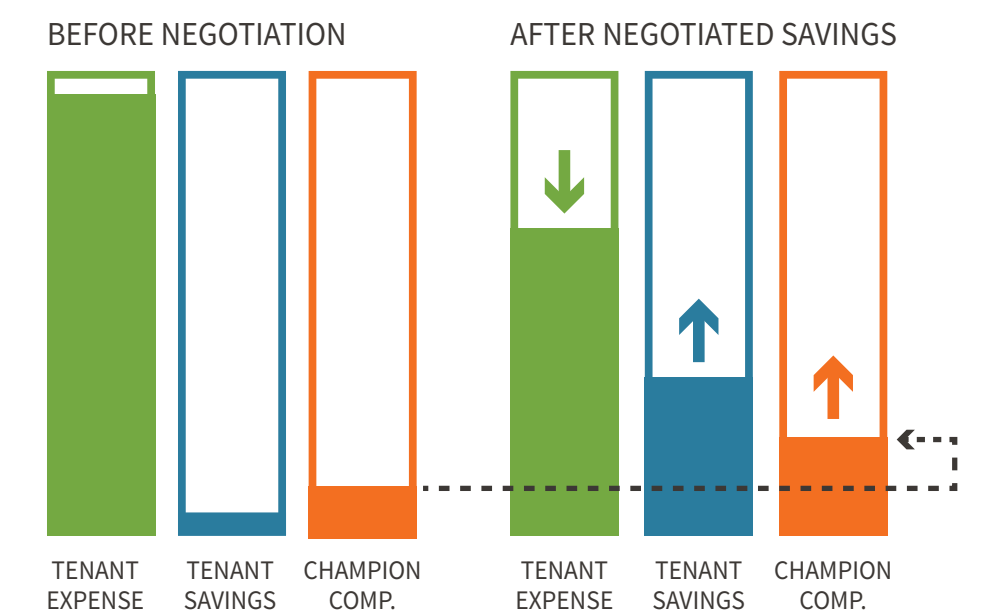
We base our compensation on the value we create, and we share commissions and savings with you. We have a team of salaried specialists who aren't tied to commissions, and we only represent your interests in negotiations. The Bell Success Sharing model aligns our interests with yours so that your needs become our motivation. Just as your car runs more smoothly and requires less energy to go faster and farther when the wheels are in perfect alignment, business performs better when the goals and rewards of all parties involved are in balance.

TYPICAL CRE COMPENSATION MODEL



As the tenant's expense goes down, so does the typical broker's compensation. This misalignment offers no financial incentive for a broker to reduce the total costs of the transaction.

BELL SUCCESS SHARING MODEL



As the tenant's expenses go down, the tenant champion's compensation increases. By aligning financial incentive with savings the tenant and champion share the same goal, to negotiate the best deal possible.

FOLLOW OUR LEAD

A solid commercial real estate plan is an integral part in realizing the goals and vision you've set for your business. But strategy is a delicate dance: it needs to be flexible enough to allow you to pivot and bend in order to take advantage of opportunities and unpredictable changes as they arise, while structured enough to be methodical and precise.

The best strategies combine art with science, the grace and beauty of the dance with the physiology of the body. With a scientific approach you plug in your variables and get a definitive result. But add an element of creativity and you open yourself to new innovative possibilities.

THE BELL CORE PROCESS:
A 5-step process that ensures that we deliver not just a solution, but the BEST solution.

1. DEEP DIVE

- > Assess your business strategy, corporate values, and brand
- > Analyze the needs of all stakeholders
- > Audit your current commercial real estate portfolio
- > Synthesize findings into clear and actionable objectives and establish success metric

3. MODEL FOR SUCCESS

- > Draft deals for best-fit properties
- > Review best-fit options with you, narrow to a short list, and clarify success metric
- > Request for proposal
- > Financial analysis of the proposals

5. AFFIRM ACCURATE DELIVERY

- > Meticulously comb through the details to make sure your interests are guaranteed in the agreement (lease, purchase, or development deal)

2. ESTABLISH BEARING

- > Preliminary market analysis, vetting properties against objectives
- > Review the vetted properties with you
- > Tour selected properties; evaluate location, accessibility, management team, brand relevance, and satisfaction of established objectives

4. CHAMPION THE DEAL

- > Engage landlords of selected properties in negotiations
- > Maintain open, clear channels of communication with all parties
- > Advocate for established goals and achieve our objectives





WITH SURGICAL PRECISION

We're big believers in specialization. Like a surgical team, we believe everyone should be an expert in a specific facet of the undertaking, while all working together for the same positive outcome.

The typical CRE model consists of independent generalists: 1099 contractors who are responsible for the entire process. They have to juggle their focus from selling to working the deal, and they determine which effort gets most of their attention. This can make the results inconsistent, and can even put the client (you!) at a disadvantage. You wouldn't want a generic doctor handling every aspect of a surgical procedure, so why settle for a single broker to handle all of your CRE needs?

Bell Tenant Champions uses a collaborative approach. In a surgical team, there's a surgeon, anesthesiologist, scrub nurse, circulating nurse, and surgical techs each expertly handling a specific portion of the procedure. We take this approach and assign the right expert to every task: market studies, negotiation, financial modeling, and legal review. Our team members hone their strongest skills instead of spreading themselves thin. This specialized focus results in increased productivity and better performance. It's called a comparative advantage; focus on what you are skilled at and work with others to take care of the functions they are most skilled at.

OUR TEAM: EACH WITH A VERY PARTICULAR SET OF SKILLS

INNOVATOR

Develops creative solutions that align your strategic business, financial, and operational objectives with your real estate strategy.

UNREAL ADVOCATE

Focuses on maintaining the client relationship. Someone who is there to help you through the process. Adding value to your business, solving problems, and creating opportunity.

RESEARCH GURU

Gathers expert market intelligence and evaluates unique opportunities, including off-market space options, with the objective of reducing the overall cost of your deal.

FINANCIAL GURU

Provides the thorough financial analysis of space options, as well as accurate budgeting of transaction and annual occupancy costs, to enable you (not the landlord) to control your deal.

CLIENT ADVOCATE

Leverages relationships with landlords, brokers, and other tenants to enhance our insight into their business drivers; creates a competitive bidding environment; advises you how to achieve the greatest value and flexibility; and negotiates to safeguard your interests and maximize the value of your investment.

LEGAL OFFICER

Combs through the details of negotiations, contracts, leases, and invoicing to make sure your interests are guaranteed.



“The benefit of time puts you in the best position to secure a more informed and financially rewarding deal.”

Q • Why should I begin the process as early as possible?

Don't focus on making a decision as your primary goal. The best way to find an opportunity is to take the time to research, learn, and listen.

LISA'S TOP 5 REASONS FOR STARTING YOUR CRE PROCESS AS EARLY AS POSSIBLE

1. MORE OPTIONS:

Having the benefit of time lets you gather data on more properties in an area and provides a bigger window for new properties to enter the market.

2. SAVE MONEY:

It gives you the ability to negotiate, renegotiate, and re-renegotiate. Landlords don't expect you to take the time to challenge them, so you save money by getting a deal on the terms you want.

3. MINIMIZE SURPRISES:

It allows you to be tenacious and ask the same questions over and over again if the landlord is being evasive. Surprises are minimized when you've given us the time to fully explore the property on your behalf.

4. ADD VALUE:

When you have the time to negotiate, the landlord is more apt to agree to value-adding benefits such as build-out.

5. LEARN MORE:

The CRE process can seem very confusing to some, but working with our experts early on ensures that you'll be in the know every step of the way- with clear explanations and communication so you keep control of the process.

FINDING YOUR ADVOCATE

Every commercial real estate deal is unique. It's important to understand the differences in commercial real estate representation in your search for the partner that brings the most value to your deal, your brand, and your company.

TAKE THIS QUIZ TO FIND OUT WHICH KIND OF REPRESENTATION IS RIGHT FOR YOU!

1. In a negotiation, do you want the advocate showing all of your cards to the landlord?

A. Definitely, I enjoy transparency and knowing I have no power in the negotiation.

B./C. No, that's insane. How can I get a good deal if the landlord knows what I'm willing to pay?

2. Do you have time to sift through numerous locations and determine if they represent your company's image, future needs, and business aspirations?

A. Yes, I have all day to scout locations, knowing the Commercial Brokers will just pitch whatever benefits them.

B. No. I want a rep who will find several locations that match my needs, but may ultimately suggest the property represented by his/her own company in order to make the most money from my deal.

C. No. I need a rep that takes the time to listen to my current needs, possible future needs, and company culture to synthesize them all and come up with the best possible locations for us, not one that will make them the most money.

3. Are you planning your company's lease expiration well in advance?

A. No. I'm so busy I typically don't deal with it until about 6 months before the end of our lease. We pay more that way, but who has the time?

B. Not really. The move is happening 6-12 months from now; a fast pace is fine because I typically just re-up our lease at a slightly higher rate with the typical escalators.

C. Yes. I'm thinking long-term, whether it's 6 months or 2 years from now, and even if we plan on staying where we are, it gives me the time to get a complete look at the market so I'm in a better negotiating position with our current landlord.

4. Would you prefer a jack-of-all trades advocate who has to handle every aspect of the deal, or a team of specialists who are deeply knowledgeable in specific areas and work together to ensure the best deal for you?

A. Neither. While it's not our business, I think we can negotiate a better deal on our own.

B. I like the idea of someone who knows a little bit about a lot of subjects—it shows they're flexible, even if I won't get the best service in the areas that are most important to me.

C. I like the idea of having a team of experts working collaboratively so facets like market studies, negotiation, financial modeling, and legal review all get 100% of the attention and deep expertise they deserve.

5. Would you prefer an advocate who makes money based on the size of the deal, or on how well they meet your financial and business goals?

A/B. Commissions are just how the CRE world works. Even if the advocate has my best interest at heart, I understand they'll be looking for the largest commission possible and am happy to pay it.

C. I like the idea of a salaried advocate, who is motivated to help me minimize my property costs.

6. How much does an advocate's repeat business matter to you?

A/B. Meh. It doesn't matter to me if people say they would never use a broker again.

C. Very! I want to know that other clients have been satisfied enough to return!

ANSWERS

If you chose mostly A,
then a Commercial Broker is for you:

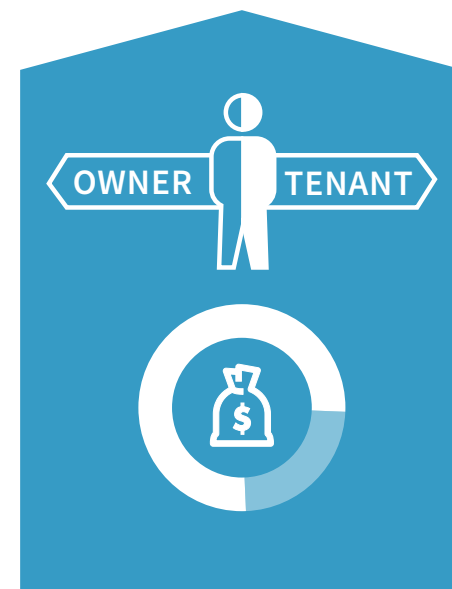
A

COMMERCIAL BROKER:

Most people don't realize that while brokers work with you, they're not necessarily working for you. They also work for building landlords, which obligates them to reveal how much a tenant is willing to pay. Once a landlord knows how high you'll go, you've lost your power to negotiate.

And, they work for themselves representing their own property listings, which causes a conflict if their property happens to suit your needs.

What's more, a broker's compensation is calculated as a percentage of the total deal. The larger the deal, the bigger their payday.



If you chose mostly B,
then a Tenant Representative is for you:

B

TENANT REPRESENTATIVE:

A tenant representative works for you alone. Unlike a building broker, tenant representative brokers don't have an alliance with the landlord or represent their own listings.

But because they also base their compensation on the total size of the deal, they still make more money the more you pay.



If you chose mostly C,
then you need a Champion:

C

BELL TENANT CHAMPION:

A tenant champion advocates for you alone. As with tenant representatives, tenant champions are not aligned with the landlord.

What's more, a champion has aligned their interests with their clients' by sharing both their commission and the negotiated savings with the tenant or buyer. In essence, the more you save, the more they earn!



THE VALUE OF RECIPROCIDITY IN LEASING

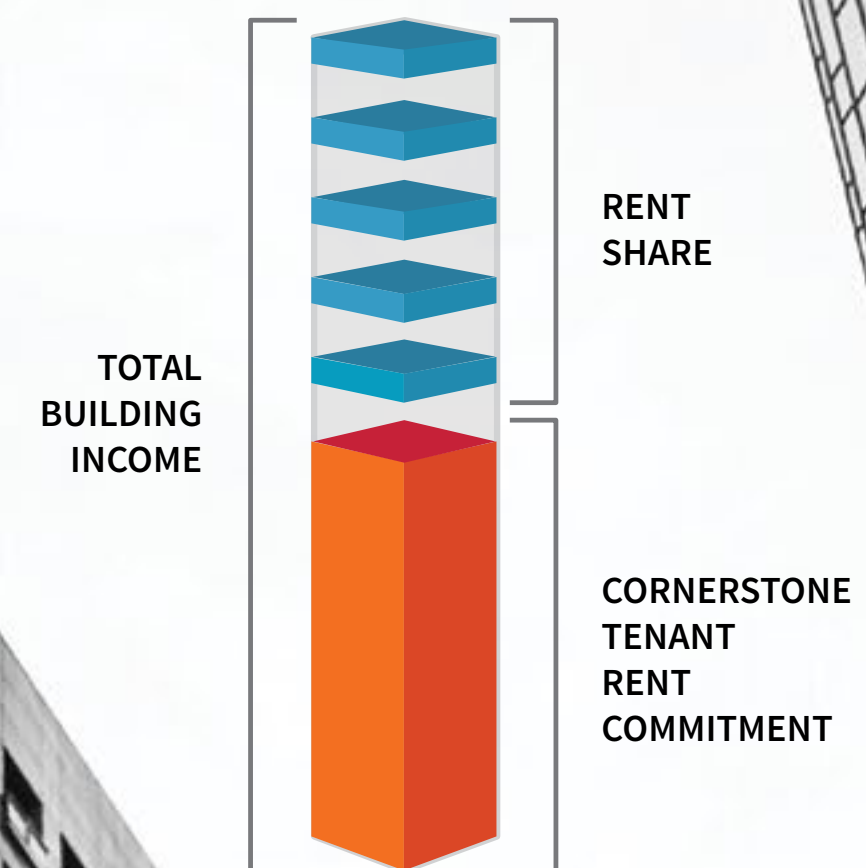
A large tenant has the ability to make a building extremely profitable for the owner, so why shouldn't they share in the profits?

Renters rarely have an opportunity to earn revenue from their commercial real estate. We decided to change that, and created a mutually beneficial rent share system. It's not for every tenant... but for those it is, the Bell Cornerstone program is a potential home run.

The concept is simple: companies large enough to carry a building with their own rent, with no other tenant involvement, share in the value they create for the developer by getting a percentage of revenue generated by the building.

Typically when you sign a lease you have a base rent which escalates every year. But with Cornerstone, you get revenue from every tenant that goes into the building. So as the building fills up, the new revenue offsets your overall rent expense.

This is another example of how we've focused our Success Sharing Models on delivering UNREAL value for our clients. This focus on delivering innovative solutions has enabled us to work with some of the finest companies in the country.



Companies that carry a building with their own rent share in the revenue generated by the other tenants in the building.

CLIENT SPOTLIGHT

Bell is proud of the 14-year working relationship they have with SRC, Inc. In a business where only 13% of clients return to the same CRE advocate they've used before, this affiliation is rare and something both companies value.



SRC's needs are more complicated than your average business. As a government contractor that works on defense, environment, and intelligence solutions, they have to consider many unique aspects when looking for facilities. Their mission is to keep America safe and strong, and Bell teamed with them to ensure they would find the right mix of amenities and accommodations that allowed them to execute their work.

John Simms, SRC Facilities Director, leads the design, construction, maintenance, and operations for facilities in Syracuse, NY and regional offices nationwide. He recently took time out of his busy schedule to discuss his company's experience with Bell Tenant Champions. John began by praising the company's superior services saying, "Bell has done a great job and delivered every time we were looking, even with tight turnaround times and challenging specifications. I believe Bell provides a better experience and more customized services than what other brokers offer."

John went on to discuss SRC's specific needs, including space utilization and master planning. He said his company is, "very dynamic, and we have to be able to respond to changing business requirements and have the right facilities for our technical staff to deliver life-saving products and services when needed." He added, "Bell does

all that and helps us remain competitive at the same time." Because Bell handles real estate nationwide through its partner companies, Mark Bethmann used contacts in San Antonio to get SRC set up in Texas. Recently, a couple of facilities where SRC leases space were going through receivership, causing obvious concern to John and SRC. John said throughout the process he felt informed of options and stated, "Bell did a good job of staying on the pulse of the market, chasing the banks for clarification, and performing market surveys to understand what rates were competitive."

When discussing their relationship, John talks about Mark like a teammate and spoke about how they were recently complimented on how well they work together. "Internal customers in Dayton said Mark and I are a good team in negotiations. We have a good rapport; Mark knows when to step in and when to let me take the lead."

Wrapping up the discussion, John gave a resounding, "Yes!" when asked if SRC would return to Bell Tenant Champions for future real estate needs. He would "certainly" recommend working with them to other companies. "In the world of relationships being beneficial to business efficiency, I can vouch that an ally like Bell makes a big difference and we hope to work with them for many years to come."

**BELL TENANT
CHAMPIONS
LOCATIONS:**

ALBANY

518.207.1144

BUFFALO

716.200.1031

ROCHESTER

585.232.5690

SYRACUSE

HEAD OFFICE:
120 Walton Street
Suite 400
Syracuse, NY 13202
315.476.7112

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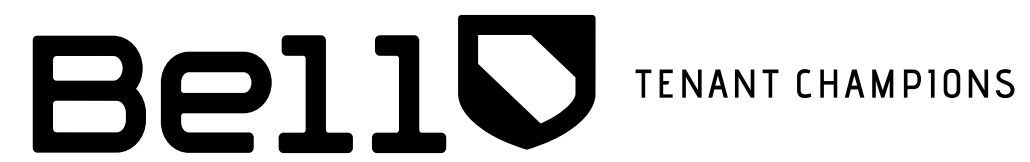


HOW CAN WE HELP?

If you have any questions for us, or want to learn more about Bell Tenant Champions or success sharing, give Lisa Kinsella a call at **315.476.7112**, or send her an email at lkinsella@bellchampions.com.

You can follow us on LinkedIn and Facebook.





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