

# GROWTH PATH

With the commercial real estate market on an upswing, these three firms have taken advantage of the opportunity to expand into new markets, bring on new agents and increase their business lines



**JERRY ANDERSON**  
Sperry Van Ness

## SPERRY VAN NESS

Since its inception in 1987, Irvine-based Sperry Van Ness has been expanding and strengthening its presence in the real estate market at an impressive pace. The company's platform emphasizes mutually cooperative relationships with more than 65,000 agents nationwide in its commercial brokerage database; the constant development of technology and tools to compete in business; and an involvement in social responsibility through programs such as the Sperry Van Ness Legacy Foundation.

What started as a predominantly regional firm evolved into a national one by way of an expansion program that moved from the West Coast eastward through secondary and tertiary markets. That expansion grew through franchise agreements, which licenses Sperry Van Ness' tools, systems and resources to independent companies, resulting in Sperry Van Ness' current involvement in more than 150 markets. "We are firmly entrenched in the secondary markets," says Jerry Anderson, COO and president of Sperry Van Ness' National Advisor Organization. "We have only a small presence in the major markets and now it's time to beef that up."

For 2007—the company's 20-year anniversary—Sperry Van Ness is shifting its expansion focus to the top 12 major real estate markets, a definitive change from previous years' targets. Honing in on cities like Chicago, New York City, Atlanta and Seattle, the company is hoping to establish offices, recruit agents and acquire projects in much of the same manner as it recently strengthened its San Diego presence. Sperry Van Ness San Diego has employed a permanent full-time manager that focuses on growth and is currently adding top brokers after doubling its space

earlier this year. The company is hoping to use its San Diego expansion plan as a blue print for how it can facilitate this type of growth in markets yet to be penetrated.

This alternative expansion strategy appears to be a logical next step, considering the company's formidable growth record. In 2001, Sperry Van Ness achieved \$1.4 billion in investment property sales volume. That number jumped to \$10.9 billion in 2006. This leap in sales and leasing volume correlates with the increase in sales advisors. When the \$1.4-billion sales volume was hit, the company was composed of 150 advisors in nine cities within two states. Today it is composed of 900 advisors in more than 150 cities within 37 states. Sperry Van Ness isn't stopping there, however. The company expects its growth to continue, projecting that it will have 1,100 advisors by the end of 2007.

With its current markets brokered and flourishing, Sperry Van Ness' decision to turn to new markets is well founded. "We want to create a structure like we have in Southern California in major markets like the Bay Area," says Rand Sperry, the company's president and co-founder, along with Mark Van Ness. "In a local or regional company, it's all about the activity and the number of escrows that create the opportunity for a company. We want to create the same thing in the major markets."

The firm's mass expansion movement hasn't been glitch-free, however. In December 2006, David Frosh, company president since 2001, announced his resignation from Sperry Van Ness. Frosh was an integral component of the expansion program, and it was under his guidance that Sperry Van Ness reached the level of success that it did. Anderson joined Sperry Van Ness early in 2003 specifically to lead the National Advisor Organization's growth. With the additional departures of Sandra Sellani, vice president of marketing, and Tom Sanchez, senior vice president of information systems, earlier this year, Sperry Van Ness has lost a total of three senior executives in the past seven months.

Anderson's expanded role, however, seems to be incorporating many facets of these previous executive positions. Since their departures, the company has restructured itself, with Sperry now positioned as president and Anderson overseeing the company's day-to-day operations, including marketing, technology, finance and human resources, as the chief operating officer. Frosh is still a consultant with the firm, communicating regularly with both Sperry and Anderson to ensure a smooth leadership transition. "David left us with quite a capable senior team of a dozen people and an entire organization of about 90 people," Sperry says. "We really haven't seen a blip on the radar screen."

With Sperry as the new "face of the company," and Anderson investigating other technology and resource platforms to integrate into their value proposition—which consists of their current tools, systems and resources—Sperry Van Ness seems to be charging forward without breaking a stride. Sperry partially attributes this expansion to the company's mission. "Sales organizations take on culture," he explains. "The people we bring on really agree and buy into our core covenants and mission. We treat our advisors as clients. This leads to a combination of recruiting and attracting brokers. Our goal is 50% recruit and 50% attract. And we're getting there."—*Jane Lee*—SOCI

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