

Ask the Professionals

Business answers to pressing B2B matters

COMMERCIAL RE

Why should tenants engage a real estate broker?

Tenants can only benefit from engaging a real estate broker. They gain a skilled advocate for their interests, a trusted advisor, and a partner that will be the beast of burden for your real estate transaction.

Brokers working for the tenant have a fiduciary responsibility to their client, not the landlord. Your broker will be the champion of your interests through the real estate process to be sure that at every decision and negotiating point, your interests are put first and your objectives are met. Brokers create competition in the marketplace for your tenancy, thereby creating leverage and the ability to negotiate the ideal real estate solution that matches your business strategy. Real estate is a dynamic market and hiring a broker to advise and counsel your company's decision can save you money and mitigate risk. Brokers have detailed information on transactions and trends in the market, what concessions are available and building specific information that will benefit you. Not using a broker can put you into a reactive mode as you have a primary job to do that is not commercial real estate. Brokers have the expertise to develop a real estate strategy, put that strategy into place and facilitate a successful transaction.



Brady Alshouse
Leasing Associate

LAW

Should I get my lawyer involved with a letter of intent?

A letter of intent ("LOI") summarizes the material terms of a business transaction, and is prepared and agreed to prior to drafting transaction documents. It is generally advisable to prepare an LOI in any major business transaction.

It is a good idea to involve your lawyer in the preparation and negotiation of an LOI. Attorneys add value to the LOI process by structuring the transaction in a tax effective manner and by identifying essential deal points which should be addressed in the LOI. Failure to consider tax issues or address essential deal terms can lead to later inefficiencies and may result in restructuring the transaction. Attorneys also help assess which portions, if any, of the LOI should be legally binding.

In addition, a good lawyer is able to identify various aspects of the transaction which may become contentious. Negotiating these aspects at the LOI stage is oftentimes advantageous. If these matters cannot be agreed upon, it is better to make that determination at the LOI stage before substantial time and effort is expended in drafting transaction documents.

Not involving your lawyer at the LOI stage of a business transaction can be "pennywise and pound foolish."



Douglas J. Becker
Director
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WEALTH

Why financial planning?

A traveler would never embark on a trip without having a destination in mind and a map in hand. Similarly, when embarking on life's financial journey one should have a destination - goals; and a map - personal financial plan.

What are the elements of a comprehensive financial plan? Foremost, it's a quantified projection of the remainder of a family's financial life. It includes existing assets/liabilities; future income projections; lifestyle expenses; education funding requirements; estimated income taxes; and debt exhaustion. It includes quantified goals. The plan includes an assumption of both estimated future inflation and estimated returns on invested assets over the lifetime of the plan. The projection includes cash flow models, forecasted balance sheets, and estimated net worth calculations. Plans are flexible; so, as assumptions or circumstances change, they can easily be revised.

With the financial roadmap in place, the data reveals how risks can be mitigated by obtaining specific kinds of insurance. The plan also quantifies shortfalls in education funding. Since a plan includes income tax calculations, it discloses opportunities for tax effective methods of asset accumulation. Likewise, the plan helps identify opportunities for lifetime gifting and net worth at mortality. It reveals appropriate documents and planning needed to minimize death transfer costs. The plan is paramount in determining appropriate asset allocation and whether or not life goals are attainable.

Many people spend more time and energy on their vacation plans than on their financial plans. We argue the latter makes the former more feasible and enjoyable!



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ACCOUNTING

How big of an impact will a company's sustainability efforts have on the bottom line?

Today sustainability goes beyond just the "green" initiatives of recycling and conservation. Now more than ever, it impacts a company's investments, shareholder relations, employees and profitability.

A number of investment companies have emerged who are focused on sustainable investing. Nearly one out of every eight dollars under professional management in the United States today is involved in sustainable and responsible investing according to the 2010 Report on Socially Responsible Investing Trends in the United States (Nov 2010) published by Social Investment Forum Foundation.

There has also been a marked increase in shareholder resolutions related to sustainability as reported in 2011 proxies. That is a trend that is expected to continue as more companies provide transparency around their sustainability initiatives and enhance their sustainability reporting.

Just as there has been a cultural shift in attitudes of investors and shareholders, employees are increasingly asking questions about a company's sustainability efforts in considering potential employment opportunities. In order to attract and retain the best talent in the future, a company will need to have a robust plan around sustainability.

The question remains: how big of an impact will a company's sustainability efforts ultimately have on the bottom line? As most companies are early on in the journey, most have not quantified the tangible and intangible impacts to profitability associated with their sustainability strategies. But regardless of the bottom line impact, the bottom line is - sustainability is here to stay.



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BUSINESS COACHING

What is a Business Coach?

Time is our most valuable asset.

Using 'Creative Procrastination' is one of the most effective of all personal performance techniques. A difference between high performers and low performers is largely determined by what they choose to procrastinate on.

The Law of Posteriorities - You can only gain control of your life to the degree to which you stop doing things that are no longer as valuable or as important to you as other things you could be doing. A priority is something you do more of, sooner. A posteriority is something you do less of, later, if at all. To do something new, you must consciously and deliberately choose what to complete or stop doing.

Most people engage in unconscious procrastination. As a result, they procrastinate on the valuable, important tasks that can have significant long-term consequences in their business. Instead, deliberately procrastinate on tasks of low value leaving more time for tasks that can make a difference in your business.

What could you delegate or eliminate that would free up more time for higher value work? What can you say 'no' to? Gain control by practicing these disciplines. Setting posteriorities can enable you to get your time, business and life under control!



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