



Editor's Note: This article is part of a continuing series of Q&A sessions Hobbs/Herder president John Surge is conducting with influential leaders in real estate management. The subject for this installment is Abe Lee, owner of Abe Lee Realty and Abe Lee Seminars in Honolulu, Hawaii. Abe began his real estate career in 1974 and opened Abe Lee Realty in 1980.

John Surge: Can you very succinctly – in one or two sentences – describe the vision for your company?

Abe Lee: "My vision for Abe Lee Realty is to be the premier independent real estate company on Oahu where we enable our agents to run their own business with our support."

John: Your philosophy is to help agents build wealth through their real estate careers so they can live the lifestyle they want. Tell me about how you developed that philosophy.

Abe: "I have developed the philosophy because most offices push production. I encourage my agents to become millionaires in real estate and practice what they preach. I worked for developers and they didn't do what I am doing with my agents. I make my agents partners in development projects and we sell what we develop."

John: Has the extra involvement you invest in each of your agents been repaid to you in the form of increased loyalty? If yes, do you have any specific anecdotes about an agent's loyalty to your company?

Abe: "My agents know that they get a very high commission rate, we are very progressive in how we do business, and we create new programs so that our agents are the leaders in the field. We have had agents leave other companies and join us because they know that we will treat them fairly and help them to grow and mature in this business. I have had very few agents leave for other companies over the past three years since I built up my staff from four agents to 105 agents."

John: Your whole organization seems to be built around creating self-sufficient agents who embrace the responsibility that comes along with that. What kind of culture has that created throughout your company?

Abe: "The culture of our agents becoming independent businesspeople is beginning to take hold on our agents. They know that this is a business for them and that they are more than just salespeople. I encourage them to visualize having a staff that will support them in their efforts to run a business. I do the same with my staff and my management."

John: You attended MegaManaging in Palm Desert in October. How has the MegaManaging philosophy impacted the way you run your company?

Abe: "Five of my management team attended MegaManaging in October. We all agreed that we needed to separate the part-time agents from full-time agents. I am in the midst of trimming the staff from 105 agents to 70 agents. I am creating a separate real estate firm that will be the minor league team where the agents will learn the basics of real estate and when they start producing, they have the option of moving to Abe Lee Realty or stay with the second firm. The other firm is A.L. Realty Partners LLC. The change will take place around April 1, 2005."

John: You've attended both MegaManaging and the Gateway in the last six months, and you obviously have a commitment to growth and education. How important is it for you as a leader to attend these events not only for your own good, but to provide an example for your agents to follow?

Abe: "I paid for 12 agents to go to Gateway because I wanted them to experience the training that goes on at Hobbs/Herder. All of the attendees are committed to making real estate a business and are at various stages in their marketing program. I will subsidize any other agents who want to attend future Hobbs/Herder training sessions. I attended because I wanted to lead by example and let them know how strongly I believe in an effective marketing program."

John: What has your embracing and support of your agents'

personal marketing efforts done for the success of your agents and ultimately, the success of your company?

Abe: "The program is kicking off for several of our agents in the spring and we will see how the marketing efforts are going. I am very confident that we will have great results which will encourage other agents to do their own marketing program. Abe Lee Realty is doing its own marketing program for specific programs that I am promoting. The agents that are participating in the marketing program are enthused and we hope that it will produce great returns for them."

John: You've been in real estate for more than 30 years and you've owned your company for 25. In that time, the industry has grown increasingly popular, and it's very rewarding for those who are willing to do it the right way. What factors do you think have changed the most about how real estate is conducted throughout that time?

Abe: "Although technology is very important, I still believe that it comes down to human relationships when it comes to buying and selling homes. We have a new program called Brokerseye.com (go to www.brokerseye.com and you will see the exclusive service that we provide for our clients and we plan to take that service nationally through a franchise of one company per city that will be part of our team) that will knock the socks off of our competitors and that is technology driven. We follow it up with human relationships and make sure that the clients get excellent service and follow up. I try to have Abe Lee Realty be the leader in education, technology, and seminars for our clients."

John: How do you see real estate management changing in the next two years?

Abe: "I see my Broker in Charge being a better coach and learning to deal with systematizing the operations more efficiently. I see our marketing program dominate certain neighborhoods because if our agents own 2,000 units in their farming areas and we have 20 agents participating in the marketing program, we will have a domination in 40,000 units which is a good penetration of the total housing market. I see us leading the market in client services with our technology driven services that no other office in Hawaii can provide. I also see my firm providing development partnerships that no other real estate firm can provide."

John: As an owner, what is the most rewarding aspect of your work?

Abe: "Frankly, it is great to know that my agents are producing enough to make them comfortable and I in turn can provide for my

family and my staff. It is a blessing to know that I am providing job opportunities for my staff and I am able to provide for my family's needs through a wonderful organization."

John: How important is balance in life and what do you do to stress it to your agents?

Abe: "I tell my agents that I go surfing two to three times a week to have balance in my life. I provide voluntary services to some charities and I teach free seminars to the public. I encourage my agents to have interests outside of real estate and to experience joy in life."

John: In the January Manager's Memo, I talked about the importance of having a Management Point of View. Do you make it a point to communicate your philosophies on sales and marketing to your entire company or only when approached and on an agent-by-agent basis?

Abe: "I have made it a point to make our business meetings a learning experience and I have assigned agents to lead the discussions in areas that will help us improve our business. I send emails regularly to our agents on items of interest to us as real estate professionals. I encourage our agents to attend seminars as much as possible. I am hiring a trainer and have hired a public relations specialist. I have an attorney on retainer and I have partnerships in a mortgage payoff system and an escrow company to provide ancillary services for our clients.

I love the business and would have done it all over again. I love teaching and developing and general brokerage. I believe that Abe Lee Realty has a unique place in Hawaii because no other company is as diversified as we are in providing services to our clients. I also encourage our agents to invest in a development pool so that we can buy and sell real estate as a group and have our assets grow together."

I'd like to hear from you! What systems do you have in place to ensure that you are recognizing your agent's achievements in an emotionally meaningful way? Please send your feedback regarding this article to me at John.Surge@HobbsHerder.com.



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