

The Power of the Platform

An Interview with Stephen B. Siegel, Chairman, Global Brokerage, CBRE

EDITORS' NOTE Prior to the merger with CBRE, Stephen Siegel was Chairman and CEO of Insignia/ESG. He initially rose to prominence in the industry at Cushman & Wakefield, where he became President and CEO at age 37. Renowned in the industry not only for the number of deals he has closed, but for his philanthropic activity, Siegel at one point in his career sat on more than 16 nonprofit boards. In 2015, he was celebrated, along with fellow honorees Queen Latifah



Stephen B. Siegel

and Danny Meyer, for his contributions to the Young Women's Leadership Network's College Bound Initiative, a program that creates opportunities for low-income students to attend college and serves nearly 13,000 students each academic year. He is regularly among the Commercial Observer's Power 100, a yearly ranking of the most powerful people in New York commercial real estate, and has been named by Crain's as one of the 100 Most Influential Business Leaders in New York City. In 2005, Siegel was featured in the Urban Land Institute's book, Leadership Legacies: Lessons Learned from Ten Real Estate Legends and, in 2011, he was featured in the

best-selling Commercial Real Estate Brokers Who Dominate: Eight Traits of Top Producers. Siegel has also been honored with Commercial Property News' Lifetime Achievement Award.

COMPANY BRIEF CBRE Group, Inc. (cbre.com) is the world's largest commercial real estate services and investment firm with 2020 revenues of \$23.8 billion and more than 100,000 employees (excluding affiliate offices). CBRE has been included on the Fortune 500 since 2008, ranking number 122 in 2021. It

has been voted the industry's top brand by the Lipsey Company for 20 consecutive years and has been named one of Fortune's "Most Admired Companies" for ten years in a row. CBRE offers a range of integrated services including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services; and development services.

What have been the keys to CBRE's strength and leadership in the industry?

The differentiation is the platform. One of the reasons we sold Insignia/ESG to CBRE was

that at the time of the sale my then partner was not willing to fund growth to make us a truly full-service international company. We needed to fit with another company to put the puzzle pieces together, and those puzzle pieces created the platform that made it possible for the brokers and the company to perform better. The level of reach and support, in conjunction with the different service lines that we developed, sets us apart. I can call anywhere in the world and we have coverage which is an extremely valuable offering and capability for our clients.

Another differentiator is that we have a consulting business that is integrated into the company seamlessly. CBRE is a complimentary firm with the best assets working together to serve our clients.

You have been involved in many mergers throughout your career. What are the keys to making a merger work successfully?

Whenever our predecessor company, Insignia/ESG, pursued a merger, we prioritized the people and would meet with what we called the "best athletes" to make sure they knew we wanted them to stay and that they would have opportunities to grow in their careers. This is the same thing we did when we joined CBRE. I went with Brett White, the CEO of CBRE at the time, and visited with each person that we felt was a "best athlete" and explained to them our vision, where the company was going, and how they fit into the company's future. We retained almost all the key people around the world and this was critical to our success.

I believe that for a merger to work, you need to do due diligence on the people in the company. You need to spend time with the people to get a feeling as to whether a person is the right fit and will be successful in the new company. There is clearly the need to make sure the numbers work and that the merger makes sense from a financial standpoint, but for it to work over time there needs to be a priority on people and talent.

What are your views on the future of work and are you concerned about the move to hybrid working and remote work?

I have been back in the office every day since March 2021, and I am a strong believer that what you can do in the office is impossible to do at home. You need to be in the office for collaboration, sharing of ideas,

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social relationships and so on. I am concerned about the future since every time I see some momentum about coming back into the office, you hear about a company that changes their position and allows their people to work remote. I just do not see how in a service business people can stay home – you need to look into the client's eyes and read the client's body language.

I am also concerned about the impact of not having employees in the office since there is a vibrancy for cities that occurs when people are in the office and this perpetuates everything in the surrounding area. There are so many small businesses and vendors that rely on the employees that come to work each day and this is gone.

Leases are still being signed, although many companies are taking less space than they initially planned to when they started looking to move. One law firm recently took 40 percent less space than they had originally planned when they started looking, and this trend is just beginning.

I am not opposed to people working a certain number of days in the office each week or working in the office alternate weeks, but I am a full proponent of people being in the office to collaborate, socialize, and maintain culture.

What are the traits you look for when hiring talent that make you feel a person will be successful in the business?

For me, most of it is instinctive. I am looking for a certain energy level, a professional appearance and being dressed appropriately, a passion for the business, and a desire to learn. This is a wonderful business that offers many opportunities, but to be successful a person needs to have that fire in the belly which is something you can get a feel for during an interview.

Where did your interest in philanthropy develop and how do you decide where to focus your philanthropic efforts?

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When I was a kid, my father was a union painter, and my mother was a school crossing guard. I would come home for lunch when I was in middle school and there would be four kids sitting at my kitchen table eating lunch. That was the result of my mother inviting them to come to our house for a meal. My father would work as many jobs as needed to provide for our family, and even after painting day and night all week, he would go to the home of a person in need and paint for free.

My mother had a philosophy that if you had two dollars, you gave one of them to a person in need. I was raised with simple ethics and my father always told me that you had three responsibilities to your family: to provide a roof over their head, food on their table, and clothes on their back. No matter how many jobs you

had to work to make this happen, you did it. He would add a fourth responsibility which was to give back.

As time went on, I was approached by different charities and invited to accept awards or recognition as part of a dinner or gala to raise money, and I have done this over the years when I felt a connection and passion for the charity. I became involved in an organization called College Bound and remember when I was honored at one of the dinners, I was matched with a young person from the inner city to interact with and get to know. The young man I met, who was 17 years old at the time, interned at CBRE twice and received a full scholarship to attend Lafayette College. He then interned at another company that I have a relationship with and, today, he works with CBRE full-time in our construction department. His family is from Ghana, and he is the first person in the family to attend college. He is a fantastic young man and the gratification that I get from seeing him grow and thrive gives me so much pleasure.

I am also involved with Gift of Life which is an organization that is very personal to me since it ultimately helped with the transplant that was given to my wife which saved her life. I currently serve as chairman of Gift of Life and am so amazed and proud to be a part of this organization which gives people battling blood cancer a second chance at life.

When you look back at all the deals you have been involved in throughout your business career, did you enjoy the process and take moments to celebrate the wins?

I enjoyed every minute of the deals I was involved in during my career. I may have had a long-range plan, but each deal and acquisition were important on its own since that is how you build a lasting and meaningful career. I love this business and have such a passion for the work. ●

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