



Focusing On A Core Business



*Interview with
Nicholas Brooke, Consultant
Insignia Brooke*

Nicholas Brooke, the former Chairman of Brooke International and then consultant to its successor, Insignia Brooke, the regional headquarters for Nasdaq-listed property consultancy Insignia, started Brooke International in 1988 as a small, family-run property consultancy. It grew around the region by creating alliances with other property companies. In 1991 it joined into a franchise agreement with international property agency Hillier Parker, and this mutually beneficial arrangement lasted seven years. It was when the Hillier Parker partnership told us they were going their own way," says Brooke, "that's when we thought we needed to step back and take a cold, hard look at where we were going and what we were going to be. That's when we thought that we needed some outside counseling and facilitation in terms of the thought process."

At the time, Brooke knew the questions, but not the answers. "The fact is there were huge opportunities out there, but we can't be all things for all people," says Brooke. "We needed to be focused, and to identify three or four key areas where we could demonstrate that we add value and focus on those. It was a question of finding a process that took us through that sorting and sieving to arrive at where we should be."

That process came from Strategic Thinking Group, an international consultancy that helps companies develop strategy. "He (James Haybyrne of Strategic Thinking Group) sat us down and said, 'If you want to look at the future you have to do it in an organized way; you have to look at threats, challenges, find where the windows of opportunities



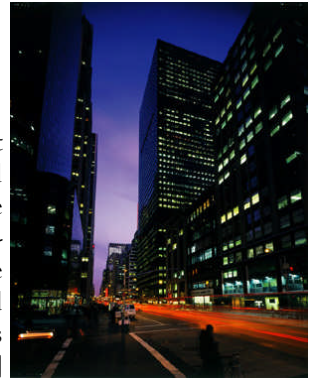
are. He took us through his excellent process," says Brooke. "At which point we realized two things: our world was changing and we came to understand we'll be a niche player." The process also helped Brooke define his company's key

strengths. "One thing that Jim (Haybyrne) did was to help us identify what our core competency was," says Brooke. "We ended up deciding that our main skill is complex real estate problem solving in emerging markets."

Brooke International's strategy development couldn't have come at a better time. A worldwide downturn in the property industry meant that all property companies were struggling to remain afloat. The years "1998 and 1999 were very difficult times financially," says Brooke. "There was uncertainty about salaries, people weren't sure they were getting paid, a lot of the 19 (stakeholders) went without salaries for a long time. We all had trouble, all the property firms, because all the markets came off at the same time. We all bled, all the firms had difficult times paying bills at that time. We were all very much living hand to mouth."

Brooke attributes the company's new strategy with seeing the company through this difficult period. "Each team leader took the message to brief his team on the exercise, how the conclusions were reached, what this would mean from that office's perspective," says Brooke. "So we got the buy-in from the senior level, then the senior level convinced the troops." Brooke says that the feedback was very positive. "Here was a firm that appeared to really be going forward, recognizing reality, recognizing that Asia was a major opportunity," he says. "Staff were very loyal. We had minimal casualties. So there was an appeal about knowing what the future was going to bring. I think for the junior level the certainty factor was key," says Brooke.

But beyond just surviving the property market's downturn, Brooke's strategy dictated that Brooke International become one of the Big Five or Six that he believed the industry would consolidate into. "We realized that in growing the business we had already gone as far as we could on our own resources, our own capital or the capital of the then partners and shareholders," says Brooke. "To make this big leap, to become a truly regional business offering a whole range of diverse services, we needed a significant amount of capital ~ more than we had and more than was probably bankable in the traditional way." This plan sat well with Brooke's employees as well. They realized "that the only way to capitalize on [the opportunities in Asia] was to have financial resources and also to have access to world markets," says Brooke, "so I think [the strategy] was seen very positively."



Finding a purchaser was the obvious solution. "We prepared a prospectus and manifesto," says Brooke. "We were wooed by a lot of people, and we nearly got married to a global financial service firm. Just before we got to the altar, all 19 [stakeholders] sat down and asked, 'Hang on, do we want to do this?'" The group agreed that they did not want to become a service provider for the investor's brand, after investing ten years into building the Brooke name in property consulting.

Developing their strategy turned out to be a key factor in finding the right match. "We wrote down all the things that were essential, so we had an 'essential' list and a 'nice-to-have' list," says Brooke, "so this had all come out of the (strategic thinking) process." Its branding was one item on Brooke's essential list. "We had spent ten years building up the brand, and that wasn't something we were prepared to give on," he says.

"And then we were wooed by Insignia," says Brooke. "If Insignia had said, 'You must go under the flag Insignia,' that would have been a deal-breaker," he says. Insignia was comfortable with the Insignia Brooke title for its Asian operations, and other aspects made the match the right choice as well. Insignia had no representation in Asia at all, meaning that there would be no issues to resolve such as conflicting offices or staff. "So after a six-month courtship we signed a deal," says Brooke, "and we became Insignia Brooke," in 2000. It was Insignia that helped all employees become shareholders in the global company, with middle managers and up receiving options as well.

These days, Insignia Brooke doesn't look much like a company surviving an economic downturn. Its newly refurbished offices sparkle, and Brooke says the company is expanding both geographically and in number of offices. Insignia Brooke has 16 offices in Asia across 12 countries, and employs about 500 people. Its biggest clients are governments, and Brooke says that about 20 percent of their business is as general business advisors, while 80 percent is on the property side. Brooke says that problem solving, in property and business, is their specialty, and that he's used a lot of what he learned developing his own company's strategy to help others.

As far as Insignia Brooke's future is concerned, Brooke thinks it might be time to reassess its current strategy. The world is changing rapidly, and to stay on top Brooke says it is wise to continually reassess. "We should step back and have another look," says Brooke. "We should revisit strategy on a regular basis because we're in such a changing environment, particularly in terms of delivery of services. How we deliver services now is radically different even from a year ago," he says. "Technology is changing the way we do valuations, how we do our research, how we analyze complex problems. The computer can do most of the mathematical thinking now, so I think going forward, a look at where we're heading, perhaps an even more rigorous testing of our assumptions and presumptions."

But no matter whether Insignia Brooke probes its strategy now or down the road, it still has the fundamental tools it garnered the first time around. When asked to describe the fundamental differences between how he operates now compared to before going through the strategic thinking process, Brooke says he probes future decisions more deeply, he's more market-wise, and more street-wise. "We are much more structured in our thinking," he says. But more structured doesn't mean slow. It just means better strategic thinking.