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How prospective CREs are chosen through the invitation process

October 15, 2008 - Spotlights

The N.E. chapter of CRE held a "members-only" luncheon event on September 8th with John Leary, CRE at Hunneman Commercial offices, 303 Congress St., Boston. Leary is the 2010 CRE national president and made a presentation entitled "Invitation Process Open Forum." This program is a national effort initiated by the CRE national invitation advisory committee, the membership committee and the chapter activities committee to educate CRE members about how prospective CREs are administrated through the invitation process. The goal is to present the program to all CRE chapters prior to the annual fall meeting in Boston.

Prior to the event, the N.E. chapter officers, Bill Norton, Emmet Logue, Bob Costello and Rob Nahigian, met to review the chapter accomplishments in 2008 and discussed plans for 2009. The officers have all agreed to serve an additional term in 2009.

Approximately 13 chapter members gathered for this program. Jill Hatton, CRE first gave the chapter an update on the upcoming Boston CRE convention on October 31st. On Friday of the convention there will be a development tour and informal reception. Saturday will be the most active day of the convention with Ray Torto holding a morning session on the national economy. Other morning break-out sessions are scheduled as well. Sunday will include a discussion on ethics in our industry and some crisis issues.

Rob Nahigian, chapter chair then introduced Leary and the program format. The session was focused to educate the CRE member who may be:

- *Interested in how the invitation committee works
- *Sponsoring a prospective member but not sure what happens behind closed doors
- *Curious on how candidates are evaluated
- *Did not know why an individual sponsored for CRE was not invited
- *Or just wanting straight answers about the process

Leary facilitated a discussion on how the invitation process was to be driven from the "bottom/up" and not "top/bottom." The goal of the National Strategic Plan is to open the invitation process and to increase the number of potential new members. There are currently approximately 1,200 CREs who represent the most elite real estate advisors in the US but no strategic target on the maximum. The CRE organization wants to be pro-active to encourage qualified candidates rather than self-initiated efforts by prospects.

Because the members of the invitation advisory committee are not known to any members (to avoid politicking), a liaison is established to communicate with members and the invitation committee. The liaison is basically the eyes and ears of the invitation committee.

The invitation committee is comprised of 1 chair and 11 members. The national CRE president appoints the committee chair and can appoint up to 4 committee members. The members are

selected to be geographically diverse and from varying sized firms. Over the past few years there has been a strong mix of members who are sole practitioners and firms of 25 or more. There is a training session for each new incoming invitation committee member prior to serving on the committee.

There are 3 sources for applications for the CRE designation:

- 1) Sponsored by another CRE;
- 2) Recommendation by CRE national or a CRE chapter;
- 3) Self-Initiated. At times, as much as 50% of applicants are self-initiated.

The application itself has been simplified over the last 3 years and is known more formally as MOI or "Memorandum of Information." Basic eligibility guidelines are detailed for a candidate and, in short, include the following:

- *Must show evidence of meaningful counseling services with documented written material, files, memos or reports. Compensation is not an issue. The standard is what is done rather than how the applicant was paid.

- *Must hold a senior position in his/her firm

- *Must be recognized for excellence as an advisor

- *Must be regarded for integrity, judgment and knowledge

- *Must have experience and reputation in real estate field for at least 10 years with at least 3 years in counseling.

- *Must hold NAR membership

Upon submission of the MOI, a local CRE is assigned to the applicant for an interview. The interview occurs at the applicant's office and can last 4-6 hours which includes an actual interview, closed door case work review and evaluation. Days following the interview process, the interview is then evaluated by CRE as quality control. Sometimes the invitation committee may ask for a second interview if they feel that the initial interview was not thorough.

The dossier of the applicant, which includes the MOI and interview results, is sent to the Invitation Committee members prior to the national convention for a vote. In the end, those who become CREs cherish the designation and its value as evidenced by the high retention rate in the 96-98% range. For more information on becoming a CRE, please go to cre.org or contact the chapter's membership chair. The N.E./Upstate N.Y. chapter membership chair is Bill Norton, CRE in Manchester, N.H.

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