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trekking

**practical strategic thinking and action
newsletter issue #74**

The Office Building with a Personality

Last summer I moved into new office space here in Woburn, MA. It's a new building, just off Route 128 and only four miles from my home - so the perfect location in my mind. When the owners, Cummings Properties, planned this property they didn't just set out to build a new office building - they took the time to strategically plan out the business environment they hoped to create. As a result, even during this lousy commercial real estate market, they have created a loyal following of tenants and have a solid occupancy rate. So, what have they done that's unique?

- Environmentally-conscious construction
- Ongoing recycling
- Solar panels for energy generation
- Upscale restaurant with a menu that has a wide range of prices
- Plenty of free covered parking

Do I sound like a commercial? No, I sound like a satisfied customer. We should all take the time to acknowledge the products and services that make us stop and think - we need to ask ourselves what they did to set themselves apart and then take that vision as we look to our own business.

In my area of the building, called ExecuSuites, my neighbors are software companies, medical billing firms, law offices, CPAs, marketing firms, consulting firms and not-for-profits. We have a great setup but not that different from other buildings like this. So, what makes this property so different?

a different approach

In addition to building an office, my landlords have succeeded in building a community. There is a monthly newsletter sharing not only news of the building, but also news of the companies inhabiting the ExecuSuites space. There are frequent breakfasts and coffees to give the neighbors a chance to meet one another. These allow small business owners a valuable networking opportunity as well as a chance to gain support from their neighbors.

At the end of the day, tenant retention will be higher because tenants will not only be evaluating rental rates when renewing, but also including the value of being part of a community. Community is a concept that is getting more and more attention in today's 2.0 world.

My building is a great example of how community can enhance a business that many others would consider to be a commodity (office space). How could you create a community for your customers and change the rules of the game in your market?

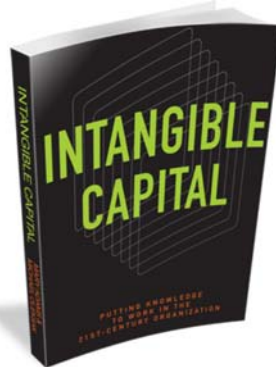
reading list

Intangible Capital: Putting Knowledge to Work in the 21st Century Organization by Mary Adams and Michael Oleksak

Over the years we have reviewed over 70 business books in Trekking. So I hope you will forgive me for sharing the story of our new book this month.

Actually, the story starts twenty years ago, when my wife and business partner, Mary Adams, and I collaborated to write [B&A@isbol: Latin American and the Grand Old Game](#). Living in Latin America, we saw the influx of Latino players into US baseball and realized nobody had ever researched the history to explain what happened and why. So we did.

The wave of Latin American baseball was a trend that we observed and felt we had to share. Same with intangible capital. Through our consulting business over the last ten years or so, we have seen the movement from the industrial age to the knowledge age accelerate.



The inability of current accounting standards to keep up with this shift means that a recent look at the S&P 500 market value revealed that market value exceeded the book value of its component companies by 70%. Additionally, Ernst & Young data from 2007 showed 50% of the value of all mergers was assigned to goodwill and another 20% to other intangible assets. Intangibles are clearly an important factor in how businesses grow today.

So we felt compelled to write [Intangible Capital: Putting Knowledge to Work in the 21st Century Organization](#). We would really like to hear feedback on the book from Trekking readers and will post feedback as we get it. This month, we'll let you write the review.

announcements

The Commercial Lending Review published my article, ["Commercial Bankers Must Know the Owner/Manager's Exit Plan"](#).

Financial Executive magazine published another of my articles, ["The Role of Financial Executives in Exit Planning for Business Owners"](#)

Also on the financing theme, XPX - Boston has a [breakfast](#) on Monday morning, June 14 at the Babson College in Wellesley, MA entitled, "Finding Financing in Difficult Times" Panelists will be Bob Baker, President of SBANE, Jamie Grant, Managing Director at Mirus Capital Advisors, and Itamar Chalif, Principal at Atlantic Capital Solutions.



I'll be the moderator and focus on issues such as refinancing bank lines when your lender shows you the door, current M&A financing activity, and the current state of commercial lending.

XPX - Connecticut has a networking [evening](#) in New Haven on June 24.

Mary and I presented and ran a workshop in Tacoma, WA in mid-May as part of the state's effort to further develop its [innovation ecosystem](#).

book news

Mary Adams and I were featured in this week's [Boston Business Journal](#) in an article entitled "Setting the Right Growth Gauge is a Challenge for Startups".



The reporter, Keith Regan, did a good job of telling the story of our firms (Trek and I-Capital Advisors) together with the description of our new book, *Intangible Capital*. It weaves in the experience of Quality and Productivity Solutions in Oxford, MA as well.

It felt funny to have our story told in public. The bankers in us were not happy with a decline in our business last year. But the consultants in us saw it as a calculated risk that could pay off big-and already has started to this year. The citizens in us saw it as a no-brainer: our country and our globe are at a critical moment. The challenges keep racking up. And the solutions will only come through innovation-

leveraging our collective intangible capital to re-create every corner of society in a new, sustainable, smarter way.

If you are interested, here's a longer version of [the story](#) we prepared as background.



Trek Consulting is proud to announce that our Trekking newsletter was named a 2009 Constant Contact All Star!

about trek consulting

Trek works with owner-managed businesses to develop and execute action plans for growth. Trek also works with the owners to prepare for their successful exit by coordinating the resources necessary to increase and preserve the firm's value, creating the succession plan and assembling the right transaction team, financing and post-transaction plan.

Our clients report improved market focus, greater revenues, better margins and increased profits. To learn more about Trek Consulting and how we can help you improve your company's results, visit us on the web at www.trekconsulting.com or call us at 781.729.1008.

