

An Unlikely Springboard

For Gloria Nilson & Co. Real Estate, Good Management, a Good Attitude and Excellence Deliver Growth in Any Environment

by Barbara Pronin



For most of us, the devastation of Hurricane Sandy is no longer much more than a memory. But in parts of New Jersey and elsewhere on the Eastern seaboard, weary residents are still working to clean up the mess, assess the damage, and rebuild their homes and lives.

Richard (Dick) Schlott on the shore in Mantoloking, N.J., rebuilt in the aftermath of Hurricane Sandy.

For Gloria Nilson & Co. Real Estate, whose thriving business empire reaches well into the eye of the storm, the past 16 months have provided good reason to rally, reflect and reimagine.

"When we acquired the company five years ago," says Chairman and CEO Richard (Dick) Schlott, "it had a fine and long-established pedigree as a truly quality company. Our plan was to expand the footprint, re-energize the sales force and increase volume and revenue without compromising one iota of quality."

In the face of a floundering real estate market trying hard to recover, Schlott made the strategy work, updating technology, fine-tuning management and increasing agents from 500 to 700. Over the past five years, the company's sales volume has increased by nearly 50 percent.

"When Sandy hit," Schlott recalls, "we were the number-one real estate company in the two major counties we serve in New Jersey and we were growing steadily in surrounding counties and into Mercer County, Penn. We had established a niche as the luxury-home leader on the Jersey shore, and it was a busy, innovative and exhilarating time. It seemed there was nowhere to go but up."

But on October 29, 2012, Sandy slammed into Brigantine, N.J., northeast of Atlantic City—a post-tropical cyclone with hurricane force winds that razed buildings, downed trees and power lines, and left residents dazed. Homes flooded. Others collapsed, as whole stretches of high-priced beach disappeared into the sea.

In all, the storm left 100 dead, hundreds injured, and thousands displaced from their homes.

"In Mantoloking, where the average selling price exceeded \$3 or \$4 million even then, more than 75 percent of homes were no longer habitable," Schlott says.

Statistically, the areas hardest hit by the superstorm comprised 20 percent of Gloria Nilson's total business. But statistics are only part of the story. In fact, commerce in the entire region nearly came to a halt as FEMA, the National Guard and legions of volunteers joined in the massive effort to provide emergency relief.

Bivouacs sprung up to shelter and clothe the bewildered and suddenly homeless. Food, water and medical supplies were hauled in by the ton—and, as unbeliev-

able as it sounds, volunteers were needed in 12-hour shifts to help guard unprotected homes against the inevitable looters.

"It was an absolutely amazing effort," Schlott explains. "My wife and I loaded underwear, paper goods and other essentials into the car and delivered them wherever they were needed. Our 12-year-old daughter was totally embarrassed to ask if people needed toilet paper. But, hey, she learned to do whatever it took, and so did hundreds of our neighbors, agents and employees who all pitched in to help."

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In the weeks and months that followed, some of the shock wore off and the rebuilding slowly began. But still today, the sounds of cranes, bulldozers and table saws fill the air in many areas as small towns and multi-million dollar beachfronts struggle to reconstruct themselves.

There are other, less visible, remains of the destruction still impacting the real estate community. Flood insurance has risen in some areas as much as 500 percent, putting a damper on sales and sending prospective buyers in other directions. Any number of buyers is also wary of the possibility of future storms—and for a variety of financial obstacles and/or personal circumstances, many homes in the most desirable areas remain unsaleable.

"Nevertheless," says Schlott, "the Jersey shore will always be a desirable place to live, and so life in the affected areas is slowly returning to normal. Once the height of the crisis eased, we knew it was time to go back to the drawing board and develop strategies that would not only put us back to work, but take us to the next level."

The effort began with enhanced marketing in the impacted areas and beyond.



"People already knew Gloria Nilson as the quality real estate brand," says the company's Director of Marketing, Heidi Dittloff. "Our goal now was to show clients that we truly speak their language."

The company set its sights on a smoother, more seamless transaction experience, launching a partnership with Apple that gave Gloria Nilson agents updated and current technologies far superior to what their competitors were using. More recently, agreements were signed with DocuSign and ZipLogix with an eye toward creating an end-to-end paperless experience for both agents and clients.

"We also revamped our luxury marketing component," explains Dittloff. "We introduced Christie's International in certain markets, which increased our local and global visibility in the high-end segment of the market—and this spring, we are launching a new, luxury real estate magazine, a full-color, glossy showcase for our high-end properties on the Jersey shore and elsewhere."

The company is also expanding its physical footprint, with new offices opening in Wall Township, N.J., and in Bucks County, Penn., bringing the total number of Gloria Nilson offices to 20 operating in eight New Jersey and Pennsylvania counties.

"Due to increased business and popular demand for our services, we will be opening additional offices in Pennsylvania over the next 18 months," says company President Pat Bell. "This will strengthen our dominant position in Monmouth and Mercer counties and expand

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our footprint in Ocean County just as more high-end beachfront properties are being readied for sale."

For Schlott, the investments in marketing and technology are refinements necessary to maintain and augment the company's image as the brand that stands for excellence in all aspects of the industry.

"Our goal was to invigorate a fine company to make it better, and we have worked hard to create a culture change that builds on the Nilson reputation," Schlott says. "We have revamped and energized the management team, which, in turn, has re-energized the sales force. Our agents take pride in being the best, and they work hard to keep earning that standing."

To that end, continuing education and mentoring programs, as well as innovative office meeting agendas, a focus on enhancing the company's legendary customized service, and finding new ways to improve the customer experience are key components.

In addition to monitoring the residential division, Schlott and his management team preside over a comprehensive slate of consumer services, including mortgage financing, insurance and home warranty. They also oversee a busy and thriving commercial division and a comprehensive relocation division.

Most important of all, Schlott notes, Gloria Nilson agents understand that no commission will ever be worth the company's reputation.

"They've heard me say it a million times," Schlott says. "Every transaction must, first and foremost, be rewarding for our buyers and sellers."

The concerted, company-wide effort is paying off. In 2013, despite the devastating impact of Hurricane Sandy, overall production increased by more than 16 percent. Transaction sides increased by more than 15 percent, and sales volume for the year was projected to top \$1.3 billion—a significant increase over 2012.

Agent population increased by nearly 40 percent and the company moved up from second place to first in sales volume in pricey Monmouth County, which is located in the central part of the Jersey shore and ranked in the top 1.2 percent of counties nationally by wealth, according to the Washington Post.

Schlott takes it all in stride.

"We took a quality company five years ago, and we gave it energy and direction," he says. "In essence, we put it all on the line to put the shine back on the apple."

And Sandy?

"A calamitous bump in the road," says Schlott. "It was something we'll never forget. The thing is, you do what you have to do, and you keep your eye on the prize." **RE**

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