



Next Move Group

We Are Jobs Podcast

with Special Guest: Hal Johnson

Chad Chancellor: I want to thank Research Consultants International for sponsoring today's podcast. They are a globally renowned lead generation firm that helps economic development organizations create real prospects. They've helped over five hundred economic development organizations. Let me tell you exactly what they do.

They facilitate one-on-one meetings for economic developers with corporate executives who have projects soon. They can facilitate these meetings to where you travel to the corporate executive's office and meet them there or you meet them at a trade show or even have a conference call, so you don't have to pay for travel.

They recently launched a service called FDI365 which provides you a lead a day of fast-growing companies that will be expanding soon. Their research has helped over \$5 billion in projects get sighted since inception. I encourage you to go to www.researchfdi.com to learn more about Research Consultants.

As far as I'm concerned, they are absolutely the best lead generation firm in the business for economic development organizations. Call them now. They can help you create real prospects.

[music]

Chad Chancellor: Welcome to this week's episode of the Next Move Group We Are Jobs podcast. This is Chad Chancellor, co-founder of Next Move Group. I'm happy to have Hal Johnson with us today. Hal is the chief development officer of NAI in Greenville, South Carolina. I'm proud to say he's been a friend of mine for about 10 years now. He's now doing some site location work and real estate work and helping communities get prepared for economic development. So, Hal, thank you for being with us.

Hal Johnson: Chad, it's great to be with you. Thank you for have me here.

Chad Chancellor: Give us a lower view now of what you're doing.

Hal Johnson: Well, I'll tell you what. It's been a great transition after 20 years in economic development, working for the state, local communities, regional economic development groups. Moved into industrial real estate with the NAI group in Greenville, South Carolina. Great group of guys; it's more like a frat house than it is a business, but I tell you--

Chad Chancellor: I understand that feeling.

Hal Johnson: But the transition into the economic development world-- out of the economic development world into real estate has been absolutely wonderful and I couldn't trade the years of being a practitioner on the local level or state level and regional level and what it's helped me be able to do today and not just working with my clients but coaching those through the process of developing sites and buildings.

Chad Chancellor: So, when did you make this change? I know time flies.

Hal Johnson: It really does fly. It was literally January 1, 2014, was the first day.

Chad Chancellor: That long; five years now.

Hal Johnson: Yes, five years and it's been-- Like everybody says, you jump into real estate and you think that you're going to grab it by the horns and take off and be successful right out of the gate, but it really does take you about three years to get your feet underneath you, feel that deal flow and you got to get the deals and you can't just have one and count on that one. You got to have tens and twenties and hundreds of projects going at one time just to make sure you capitalize on them.

Chad Chancellor: So, you're still in Greenville? Is that where your office is?

Hal Johnson: The office is in Greenville, but it seems like I'm in-- my butt's in the truck seat or on an airplane seat going somewhere to work with clients. Absolutely.

Chad Chancellor: So, now you guys are putting site location projects pretty much across the country I guess.

Hal Johnson: Absolutely. So, in NAI as a real estate group, is a group of independently-owned real estate firms and they operate under a franchise umbrella NAI Global. NAI Global provides us one, the big brand, the commonality in marketing materials, and it kind of pulls us together as a corporate group, but gives us that flexibility of independently-owned entrepreneurial-thinking and we go head-to-head with the corporate-owned real estate groups, but we're in many, many, many more tertiary markets than not just the big global markets, right? And that kind of differentiates us from where our offices are and where our reach can be.

Chad Chancellor: Talk about the NAI READY program. I think it's you invented or started or founded, whatever you want the word to be. Tell these folks about that.

Hal Johnson: Well, sure. Thank you. The NAI Global as a whole did not have site selection or incentive negotiation where it had a lot of real estate brokers who can help in that piece of it. Every broker will tell you they can do site selection, but site selection from real estate is the real estate deal and it leaves out everything else.

So, we started-- I started NAI READY. It's housed in Greenville, but it works across the global network with each of the real estate offices and their corporate services team members and we leverage our resources, our knowledge with them to help them close a deal. And so we're working with them to do the incentive negotiation piece, we'll tie ourselves in to do the cost analysis on projects whether it's transportation or human resources or that kind of thing.

Then we know what we're not. We're not the HR team and we're not the recruiters. So, we leverage our partners out there like you all to help us find good folks for those types of things. We do a lot of work with other site selection firms because we can bring the real estate aspect to it. We can be confidential with them and so it gives us a good way to work with a lot of our friends in the business.

On the real estate side, that covers mainly the corporate piece. We also like to work with the communities and helping them identify product and there's a lot of great firms like the McCallum Sweeney's and the Quest and those guys who do site readiness programs and site certification programs. We don't replicate them. We come in and we leverage them and we work with the community to find sites. We bring in those outside teams to validate them.

Chad Chancellor: So, you actually go in and if a community doesn't have a site help them figure where to option property or buy property. Instead of doing the certification, you're having them really figure out this would be a good site to take that.

Hal Johnson: That's right. That's right. So, you well know in dealing with the public sector you've got to validate sites, right? And so, if you're going to put public dollars into a site whether it's infrastructure, whether the community is buying the land, you've got to make sure that it's the best site for that community to invest in long term because they are going to be looking at what is the return on that, right?

Chad Chancellor: Right. Well, we really have two core listeners and I think both of those will be interested with you and your story. So, one, we have small to mid-size manufacturing companies that listen and then we have economic developers. So, for the small to mid-size manufacturing companies, let's assume one is in Chicago, so not anywhere close to Greenville. How can you help them find a good site to put their next location?

Hal Johnson: A lot of times, Chad, we will be working with our local offices and we'll get a call from our Chicago office and they'll tell us hey, we've got a firm that needs to be in the southeast. They don't know where, but they know they need to be in the southeast and they've got a market niche they're trying to fill there. We'll come in and we create a fee with that company and it's either based on an hourly basis, it's based on a flat rate or it's based on the performance of whatever incentives we can achieve them or we can save them in the process and then we actually split that fee with the broker.

We share our fee with the broker because we wouldn't have been in the deal without them, but what we do with them is we sit down with that broker and with the company and we line out a strategy of what that company is trying to achieve, where they ultimately need to be, and what's driving the project. And from that, we'll work side by side with the broker to identify states, communities, and then ultimately sites or buildings whichever is going to be the driver and then we start getting into the cost. The brokers can do the real estate piece all day long, but when it really gets to comparing costs, those of us in the economic development will look at it a whole lot different than they do.

Chad Chancellor: Well, if you had to think-- you were a highly successful economic developer before you got into this business. So, if you had to give sort of tips out there to economic developers, let's say there are folks out there who struggle closing a deal? Obviously, you know how to close a deal in the business you are in now. I can see that a mile away. What tips would you give the economic developers if you put back that hat on? What do you wish you had known back then that you know now that you're seeing this from the corporate site selection table that you can advise our economic developer listeners how to get a little better?

Hal Johnson: Well, Chad, the hardest thing and yet the easiest thing to do is God gave us two ears and one mouth and the more we listen to what our clients' needs are, the easier it is to help them get across the finish line. And we have to always remember as an economic developer and as a site location consultant, our ego isn't anything to anybody especially our client and so we have to set those aside.

And we need to make sure that whatever we're doing, we're doing the best job to make sure that that client long term has the right location that's going to cause them to have the greatest return on investment, right? And if we think like that as economic developers, we're helping a company come into our community, how do we help them always gain the greatest return on investment? If they can achieve that, they will expand over and over and over again our community and that's what we want to achieve as economic developers.

Chad Chancellor: Well, and to our listeners, we're recording this at the SEDC annual conference in early August of 2019 and I think you're a past chairman at some point in time. Are you far enough along now you don't have to do the hard work anymore? Now, you just get the show up.

Hal Johnson: I do get to show up, but you know the good thing is the board is really trying to involve the past chairs. We got a transition coming up in SEDC where Gene Stinson has told us that he's not far from being ready for retirement. Obviously, SEDC has got to get ready for that and we're taking a look at a holistic view of SEDC.

When I transitioned out of economic development, one of the things that I did was put together a book for whoever came after me so that if you needed to know a day in the life of what it was to be a CEO of a regional organization, well, you could flip through that book and there was a standard operating procedure. We're going to do the same thing with SEDC and we're going to

take a look at not only the executive director but the other roles that are there. We're looking at our membership and how do we continue to expand it and then we look at the guidelines.

We've been around since 1965. It's a great, great thing to see our organization be as old as it is and be as successful as it is. Several years ago, we hit 1,000 member mark and we've not fallen under that and here in New Orleans-- of course, new Orleans is a great place to attract a good conference, but we have almost 400 people and out of our membership here with the-- either some of their members of their teams or their significant others enjoying this great city, but also enjoying a really good conference.

So, yes we do as former-- past chairs, we do get asked to be involved in things. I would encourage any of our membership take that first step and get involved to be on the board in your state. Be an alternate director. The only way you're going to own the organization is get involved and jump in with both feet.

Chad Chancellor: When you talk about-- I think you came here-- I say here, we're in New Orleans, in 2004 or 2005. That was my first one and it's funny. To people just getting into the profession, if you're wondering what things you want to get involved in, if you're in one of the 17 southern states which is roughly Texas to Kansas and over to the east if you can picture--

Hal Johnson: That's right; all the way over to Maryland.

Chad Chancellor: It's a good organization to get involved with and people I met in 2005, I can still call out and how is one of those people. It's funny; somebody like Hal I will call him, we'll have a two-minute conversation and we may not talk for a year, but he helps me with whatever I need in those two minutes. So, these organizations are out there that people-- if you get involved you will make a real difference.

Hal Johnson: Truly beneficial, Chad. I would say that some of the greatest relationships I have in the industry have come from organizations like SEDC, IAMC; truly, truly great member-run organizations.

Chad Chancellor: I can't let you get out of here without bragging on Clemson. So, how's the Clemson Tigers? [unintelligible 00:11:56.06] is about to start up, so I don't know when this episode

will air, but we're sitting here on the pre-season. You got to be on cloud nine still from beating Alabama the way you did.

Hal Johnson: Boy, I'll tell you what, that was something special, but it's a brand new year. I tell you all the hype out there. It's the first time that Clemson is actually going into the season being rated number one. We got some great talent. We lost a lot of good talent last year, but we picked up a whole lot more great talent. I was just watching ESPN a few minutes ago and they were comparing the depth to Notre Dame and Clemson and they said that Notre Dame has got great depth in the first and second levels, but Clemson has got it in the first, the second, the third, the fourth and the fifth level. And that is Alabama-esk and what a great school.

There are so many commonalities between Alabama and Clemson. If they play again everybody is going to say oh, not again. But certainly, I think Clemson has got a great shot at going all the way again. Their season seems to be lined up from the schedules standpoint that they can do a lot of damage and it all tells in the playoffs. You can win your division, but man, when it comes to playoffs, you got to show up.

Chad Chancellor: That's right. Well, the college championships are down here this year. The state of New Orleans in the Superdome, so Alabama is probably our biggest state as far as the number of clients we have. So, I figure I'll have Alabama Clemson people down here.

Hal Johnson: There we go. That sounds like fun.

Chad Chancellor: We're going to plan a-- we'll plan a deal. You'll be invited if Clemson makes it.

Hal Johnson: If that happens you can count on it.

Chad Chancellor: John [unintelligible 00:13:25.03] he works with us. He makes me promise he has a room here in my condo anytime it's a jazz fest or Clemson is playing [unintelligible 00:13:33.03] in New Orleans. So, he just gets it every time he can. Well, Hal, thank you for spending time with us today. Is there anything you wish I had asked you you want to tell these folks that I didn't get out?

Hal Johnson: No, I just want to say how proud we are of you and what you've been able to accomplish with your group out there. For all of you in the economic development world, Chad and I both, we started out as practitioners and we both own our own businesses and we're out in the economic development world. It's kind of nice to be able to have all of you all call on us and leverage us as not just a person that you know, but a resource to help you out and probably one of the greatest compliments we could have in the industry. So, I'm very proud of what you guys have been able to accomplish and all that you guys are into.

Chad Chancellor: I appreciate that. Give these folks your contact information in case they are interested in some of your services.

Hal Johnson: Absolutely. It's hjohnshon@naief.com as email and please call the mobile phone because I never sit at my desk. It's 864 907 6000

Chad Chancellor: And we'll blast that out on our website when this podcast drops. So, Hal, thank you again for being with us today.

Hal Johnson: Thank you Chad, I appreciate it.

Chad Chancellor: Thank you.

[music]

Chad Chancellor: A special thank you to Younger Associates for recording, editing, and publishing this podcast for us. I encourage you to visit their website at younger-associates.com.