

# THE LEAD

► **Gretchen Pearson,  
President, Berkshire Hathaway  
HomeServices Drysdale  
Properties**



**R** **EAL ESTATE ENTREPRENEUR.** Broker. Cancer survivor. Wife. Mother. Industry leader. Gretchen Pearson's real estate career spans more than three decades and traverses a broad continuum – from salesperson to office manager to senior corporate executive.

After selling and managing offices for several years, in 2005, Pearson opened her first real estate office, Windermere, in San Ramon, with nine agents. Five years later, her brokerage, which had grown to 100 agents, moved to Prudential and in 2013 Prudential was sold to Berkshire Hathaway.

In the last seven years, her firm, Berkshire Hathaway HomeServices Drysdale Properties, has grown to 1,100 agents in 41 offices serving Northern California and Nevada.

**Q.** You started very young in this business. Was there something pivotal early on that was important for your career?

**A.** Yes! I went straight from my degree at Sacramento State and ended up with a large property management company doing Section 8 housing. I was doing a lot of certifications on Section 8. We had 880 units and on the first of the month, the mailman would come in with two bags of rent checks and I thought, I have got to own property. That was my eye-opening experience. The power of owning real estate. I got my license and did leasing; I was very bad at leasing. I got pregnant and I was going to be the world's best mom. That was the toughest job I have had. After 11 months, I decided to sell real estate part time, make a little bit of money – enough that my family could buy investment property. I fell in love with it. And it just became my life's work and focus.

The broker at the Century 21 office where I worked was extremely successful. She set out on a mission to buy one property a year and that's what

she told me [to do]. I was 24 years old; we were fighting to get diaper money and [this] seemed so farfetched, but I started on that investing journey early on and then enabled a lot of other agents in the office to do the same. We all invested and sometimes we partnered together. And really that's the underlying passion of this thing for me; my prescription for women who take their place either in the industry or in business in general: Invest – figure out how to invest in real estate!

**Q. How did you go from being a manager to becoming an owner?**

**A.** I was a trainer and assistant manager at Century 21 and I got recruited away to manage at Prudential and I did that for a while. Then I went on to manage at Mason McDuffie and went through the corporate world of real estate with them.

I was promoted to COO at Mason McDuffie and it was a great opportunity to see the business in a different way. I did that for about 5 years before being diagnosed with thyroid cancer. You know, with that, I really received the gift of urgency. It was a present in an ugly wrapping because on the surface it looks like it's awful, right? And I did not beat it the first time.

I had quite a bit of struggle. I spent the next two years undergoing treatments – surgery treatments, measurements, treatments – but, coming through that, doing the treatments, inside of that ugly wrapping was the gift of urgency, and I gained more empathy for people. I realized I had done a lot of things in the business, but I hadn't owned my own company. I was 40 at the time and thought I had

**VITALS**

**OFFICES:**  
41

**LOCATION(S):**  
Northern California,  
Nevada

**YEAR FOUNDED:**  
2005

**AGENTS:**  
1,100

**GROSS COMMISSION INCOMES:**  
\$65 million

**RANK:**  
12th largest  
company worldwide  
in the Berkshire  
Hathaway network

**OF NOTE:**  
Largest woman-owned  
brokerage in the state

better do that. That was the last thing on the list. So I tried to purchase Mason McDuffie. I arranged for \$65 million worth of credit but the deal didn't go through. So I resigned and used the first 6 months to try and map out what we were going to be and who we were going to be. And then I opened my own little company in 2005.

**Q. Describe the ways over the years in which your business has grown.**

**A.** Our growth strategy has changed. I didn't set out to be this large or have this footprint. We needed to do that because as the market fell away in 2007, the dream of having our little special magical company was going away. I mean, we would have been rolled up. The choices, as the economy fell, were either to be rolled up or to be the one growing.

The downturn was there and we had to take full advantage of it. The growth we do now is much more strategic. We used technology to support the different offices when we started. Now, we have evolved in our growth strategies to the point where the offices need to be aligned on values, aligned philosophically, and they need to have leadership. Leadership really is the void in this business.

We have also grown some ancillary businesses. We currently have a fairly significant property management company, where we represent about 1,600 families.

**Q. What's hard about this industry?**

**A.** The lack of accountability, at a very basic level. My company is no different than any company, any brand, any size, anywhere. You can hire someone you're so excited about. And tomorrow they start their first day. They come in jeans. There is a lack of respect for what it takes to be a top performer in the industry. I think, for a lot of the top agents, it's our job to make things look easy, and we have done that so well that there are people coming into this business that don't understand it is hyper-focused.

It requires a high level of service; it is not a product. You have to suit up and show up. We have all these people who think they can do nails, tax accounting, and real estate on the side. That's the part I want to get changed. And, by the way, brokers are to blame as well. Using the example of hiring someone and tomorrow when they don't show up or show up late or inappropriately dressed, does the broker take them by the ear and say, strike one? Because, seriously, if this was your first day of work, at ... name it ... Nielsen, Google, would they show up late? Or wearing that?

**Q.** So what do you do to ensure this doesn't happen in your firm?

**A.** In some regards, if you feel as if you are relating with them, your values align, then you give them the chance. But you get clear with them that this is going to be

**“I sit and counsel folks on building their teams. They always focus on the person and they need to work on the system.”**

a two-strike atmosphere. I am going to see in the next week how things are progressing, and I am going to give you open and honest feedback about whether I think you are really going to make it. I like to tell new agents, “Listen, you are coming into this business – do you know the facts? That you are most likely not going to make it?” I tell new agents that. When I call, and I welcome every single agent to the company once they have joined, I say, “Listen, now I am your broker of record so my first piece of unsolicited advice is you need to understand that top professionals make it look too easy, but it is very much like an airplane taking off. It's going to take close to 70 percent of the gasoline to get your career up and going, just like the fuel consumption it takes for a plane to lift off. If you think you are going to come in part-time or without a hyper-focus, you're not going to make it.”

**Q.** What's your leadership philosophy?

**A.** I like to lead by example. I always have. Leadership is not something someone bestowed on me. By working hard and trying to always work on the craft, people then turn and ask you questions and you become a leader. People see me take the time for individual care. I want it to be about people. When all is said and done, we are not going to remember the transactions, right? We might remember some of the hellacious deals, but what we will remember is doing something great together and being proud of creating something great together. It's leading by example.

**Q.** Do you have any specific techniques you use on a daily basis to help you as a leader?

**A.** I get up and make sure I choose my mindset. Within the first 15 minutes of having my eyes open, I typically will choose that today's going to be one of the greatest days I have ever had and I am



excited for the people I will meet, excited for the challenges that will come; I am filled with gratitude. I use 15 minutes to get my mind all charged up so that it's just open for anything however it comes. Whatever comes is exactly the way it's supposed to be.

And then I get going on my day. I eat one boiled egg a day and I start on the phone. I can hardly wait for 8 o'clock unless I am calling back east. I start with birthday calls and I call everybody whose birthday it is that day. From there, I call anybody who is new to the company. I welcome them to the company and learn a little bit about them.

**Q. What's your take on some of the newer business models in real estate today?**

**A.** I think we are at an inflection point. I think all these different companies and different models are shots in the dark, or possibly part of the ingredients towards bettering the consumer's experience in real estate. I don't think any of them are the end-all. I think some don't even start to go there, but it's

all going to contribute towards us getting a better experience for the consumer, which is needed. It's a little maddening for me when we look at some of these companies, whether it's a new model or a new company, that have done extremely well in the press by being shiny objects and being able to garner notoriety, and, secondarily, funds. It is interesting to see Wall Street money coming in. But again, we are not a product, we are a service. Products are conducted over the internet. Service is not. You are talking about emotions, about worry, about stress ... it's a life event.

Still, I invite all of the different business models because we need to have better experiences for consumers. We need greater efficiencies. So if a technology company is moving into real estate, I am a real estate company that's moving towards technology. That may be why different models are converging in terms of us all creating a better experience for consumers. And consumer expectations have been increasing with technology – the information, service levels, and responsiveness

CONTINUED ON PAGE 39



RealCare Insurance Marketing, Inc. CA License: 0B23546

Brokers / Agents / Property Managers / Appraisers

# ARE THERE HOLES IN YOUR E&O POLICY?



Make sure you have the right E&O coverage.

RealCare can provide a free assessment and price comparison.



**800. 939. 8088**  
**REALCARECAR.COM**

Now REALTORS® can get better coverage for the same great price! Premiums start at just \$517 per year.

1031 EXCHANGE

# SAFE HARBOR EXCHANGE



Qualified Intermediary for IRC §1031 Exchange  
*Fast Dependable Service!*  
Call us today  
**866.331.1031**  
to get started

[www.SafeHarborExchange.com](http://www.SafeHarborExchange.com)

BUSINESS / CAREER OPPORTUNITIES



**INDEPENDENT REAL ESTATE BROKERS**

EACH OFFICE INDEPENDENTLY OWNED AND OPERATED SINCE 1979

## 100% COMMISSION

All the advantages of a FRANCHISE, Without the COST!

**Call 1(800) 831-1172**

[www.irebgroup.com](http://www.irebgroup.com)

Committed to your success

NEWSLETTERS



Susan White  
Alain Pinel Realtors

"I've gotten great compliments on my newsletter and people say they really enjoy reading it!"

See for yourself!

**right side** MARKETING  
*cultivating client relationships*

[rightsidemarketing.com](http://rightsidemarketing.com) | 800.456.4395



FIND OUT HOW TO REACH 200,000 REALTORS® WITH YOUR AD!

[car.org/aboutus/CREclassifieds](http://car.org/aboutus/CREclassifieds)  
[car.org/aboutus/CREreferrals](http://car.org/aboutus/CREreferrals)

PRODUCTS



**U.S. FARMING FLAGS®**  
**12" x 18" on 30" staff**  
**"Made in USA"**

[www.flagco.com](http://www.flagco.com) / 800-962-0956

SERVICES

[REALESTATEAGENTREFERRALS.ORG](http://REALESTATEAGENTREFERRALS.ORG)

Tired of purchasing junk leads?

Maybe it's time you tried something different.

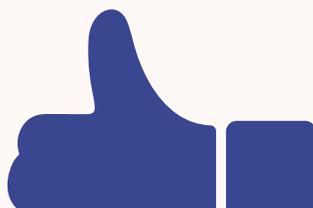
The best leads come from other agents

**DIRECT AGENT TO AGENT MARKETING**

**\$98 FOR 1 YEAR OF ADVERTISING**  
(BEGINNING 1/1/2019)

Invest in your future

[www.RealEstateAgentReferrals.ORG](http://www.RealEstateAgentReferrals.ORG)



**SOMETIMES YOU GOTTA FOLLOW TO LEAD**

FOLLOW US  
@CAREALTORS



CONTINUED FROM PAGE 11

required. All that is going up and at such a fast pace.

**Q.** There's a heightened interest currently with respect to teams. Your thoughts?

**A.** You know, it's interesting because teams came rushing in and the majority of them don't work. It's the team structure that fails. The original team module was supposed to come out of lead generation or being able to partner up with agents who would take the extra leads.

It has evolved since. For instance, if you have a fabulous new agent coming in who's a little bit risk averse, there can be a stair-step in; it's almost like interning, and once they get enough confidence that the risk is pushed away, they leave the team. Or other team models are dragging their per hour rate to a brokerage rate because now their role is to go hire typically newer agents and train them. So, when teams do that, they are in the same brokerage game. And under that off-the-shelf model, they are not super productive. I sit and counsel folks on building their teams. They always focus on the person and they need to work on the system. It's almost like a sports analogy. It's like a football team; if a player goes down, the system still works – you plug in the next player.

When I say most teams fail, it's on a time horizon. It's not much different than a brokerage.

**Q.** What do you see as the pros/cons of teams?

**A.** I do think teams can work in a lot of regards. The number one thing you get from a team is accountability, which is lacking in our industry. If we could get the accountability, whether through

partnerships or through teams, at the end of the day, it works. So, accountability works well in a team setting. I 100 percent think that is where the strength of teams comes in versus the brokerage.

**Q. How many teams do you have within your company?**

**A.** I'd say 15 percent are teams. There are a lot more conversations around the formation of teams, which is a good thing. For me, the conversation is about "what are you trying to accomplish?" There are functions that can work well. For instance, it helps with an agent who has been in the business for 30 years. Can I partner them with someone and now we get a winning combination? I get someone who is younger, who can't necessarily afford to come out on their own, who is strong with new tools, and someone who doesn't want to do open houses, so we get more of a partnership without having to get it formalized and muck up a good relationship. So, we can team up to get skillsets matching.

**Q. What distinguishes a top producing agent from a mediocre agent?**

**A.** Besides working ungodly hours? It takes a lot to be a top producing agent, so they are winners. They have set out to do something and accomplished it. They know how to get things done. They are part of your brand ambassadorship, because they are touching so many people. There is a focus and a commitment towards serving or doing the little things. It all comes back down to being disciplined. It again goes back to accountability, to the discipline of it. Top producers are accountable to themselves. They act with integrity in terms of what they said they were going to do. So, yes, they are needed. I would say that a magical office is

**"This business has zero boxes around it, so you can take the opportunities and create anything you want for yourself."**

one where there is a combination, an influx of all types of agents.

**Q. What do you mean when you talk about having a "magical" company culture?**

**A.** I think the "magicalness" is hitting it on all pistons. It's the cooperative nature you have in an office where you are not worried about locking up your leads. It's sharing information on prices or new listings coming on, working together, rooting for each other, and encouraging each other to invest.

**Q. Where do you want your business to be 2-3 years out?**

**A.** There's a micro and macro answer. I want the agents inside the company and my friends to have bettered their lives. This business has zero boxes around it, so you can take the opportunities and create anything you want for yourself. So, as much as I can get agents to improve their mindset, improve their experience, that will make me happy. I love getting notes saying, "I did buy a property," or "I did this." So that's the biggest piece on a micro level – that everybody we are touching is just moving along, inch-by-inch, toward a better condition.

On a larger scale, if the agents are having a better experience, then the friends, family and clients they are touching are having a better experience and we are helping people along. We do a lot in the community. Every

agent donates a minimum of \$10 per closing and an agent-run group gives out grants. We do blood drives. We do so much stuff. I am proud of them. That's the legacy we have.

**Q. Talk about your experience as a female in this business.**

**A.** You know, there have been times when I was the only woman in the room. I have been expected and/or asked to get coffee. The piece I think that has been unfair has been that if I am a strong, assertive businesswoman, I am the B-word. It has always been that way and I think we have a ways to go still. What happens is I have got no sister to get my back. Or, behind the scenes, there is not another woman to go "Hey, I am supporting her," or vice versa. But, you know, that's not going to define me either. I am very proud of the fact that we are one of the largest woman-owned companies in the nation and not because of the challenges that were put there. Everyone is faced with different challenges. But still I do think we feel different as a company. And I think the difference is felt by our clients as well as our agents.

**Q. What is one of the most challenging aspects for you in your career?**

**A.** As a manager, leader, or president of a company, we get actively involved in agents' lives and when they leave, whether they leave the business or for another company or another opportunity, it always takes a little piece from your heart because we genuinely care about them. And so even though that's what the business is about, for folks to move on, it always takes a little piece of my heart. If ever it didn't, that's when I would get out of the business, because that meant I didn't care about the individual and I didn't care about what they were doing. —BY ANNE FRAMROZE