



# ADLER INDUSTRIAL MARKETING PLAN

PREPARED BY DAVIESMOORE



APRIL 2019

# SITUATION OVERVIEW

## PURPOSE

In what may be the largest real estate transaction in Idaho history, Adler Realty Investments is purchasing 77 industrial properties from longtime Treasure Valley building, leasing, and development business, Van Auker Companies. The acquisition of Van Auker would increase Adler's holdings by 66% from 3 million sq ft to 5 million.

Of these properties, 50 are industrial buildings and 27 are vacant pieces of land. To manage these properties, Adler is opening an office in the Boise area and will build their new business locally with the name Adler Industrial, LLC.

Adler Realty Investments is not buying the entire Van Auker business, only the property assets. Van Auker will keep their name and possibly the design/build portion of their business. Adler will retain some of Van Auker team to make the change as seamless as possible for tenants, adding a few key Adler personnel members to help employees with the transition and manage the business.

Recognizing the incredible growth and opportunity in Idaho and the Treasure Valley, as well as being mindful of the negative perception local businesses may have of the big purchase, Adler Realty Investments has partnered with DaviesMoore to help with new branding, PR, and to create a website.

## BACKGROUND

With the enormous population growth in Idaho, the people of the state are experiencing growing pains. Many of the problems in the state are perceived to be caused by Californians moving in. People of Idaho are also wary of big corporations, especially if they overtake local, or long-standing businesses.

It's also important to protect the historical brand equity built by Van Auker Companies over the many years they were in business. Adler Industrial will leverage this equity by maintaining most of the Van Auker team, especially in key roles, as well as continuing to adhere to their philosophies of value and quality.

In order to assuage fears and start their business on positive footing, Adler Realty would benefit from a proactive PR plan to introduce the business to the valley in the right way and provide positive momentum moving forward.

To build a brand-new reputation in the Treasure Valley, Adler Realty will need a new logo design as well as signage for all their properties. The business will also require a user-friendly, informational website to show their available properties and illustrate brand messaging.

## AUDIENCE

The primary audiences DaviesMoore will target with our PR and marketing strategy will be existing and new industrial tenants, as well as new industrial clients. As a secondary audience, we will target local and national leasing brokers.

# GOALS AND OBJECTIVES

## LOGO DEVELOPMENT

To introduce Adler Industrial LLC into the Idaho market, DaviesMoore created a fresh logo with a distinctive mark. Our logo design highlights the architectural elements of the letter “A,” and pairs it with a sleek, contemporary feel. The color scheme is professional and modern, making Adler Industrial look like the safe, smart choice.

## SIGNAGE/COLLATERAL

One of the most important marketing pieces DaviesMoore will create for Adler Industrial are signs. This signage will mark properties owned by Adler. These signs will exist on vacant, undeveloped properties; outside of developed properties needing tenants; and on fully-occupied buildings owned by Adler Industrial. The signs, depending on the size and placement, will include the Adler logo and name, as well as any relevant contact information.

## BRAND MESSAGING DEVELOPMENT

Because Adler Industrial is continuing to work with Van Auker Companies employees and tenants, it’s important to maintain much of the brand equity Van Auker has built up over the years. DaviesMoore will develop messaging for internal and external use that will both pay homage to Van Auker as well as illustrate the enhancements Adler can bring to the business as and the state of Idaho.

## DEVELOP PR PLAN

For PR, we’ll use a delicate hand. Because both Adler and Van Auker would prefer to “fly under the radar,” we’ll limit our contact with the media to one in-depth interview and a press release. We do, however, want to make sure Adler Industrial is introduced to the community in the right way.

## WEBSITE FOR TRANSITION

Because the transaction will occur before the new website is built, DaviesMoore will endeavor to create a transitional internet presence for Adler Industrial.

## WEBSITE FOR LONG-TERM USE

In the longer term, Adler Industrial will create a user-friendly, informational website that will both educate potential investors, brokers, and tenants about the business, and provide information about vacant properties.



# COMPANY ANALYSIS

## ADLER REALTY INVESTMENTS

Established in 1996, Adler Realty Investments provides asset and property management and professional development services to enable success and ROI.

### Portfolio:

- 3 million square feet of existing property
- 3 million square feet planning/dev projects
- \$1 billion of properties

### Differentiators:

- Well-known: Good relationships offer opportunities, even if they're not on the market
- Expertise: Can quickly identify changes in the market and be nimble in execution
- Dev and property management: Meet and exceed business plans, high tenant retention, pride of ownership
- Timely: Acquisition and disposition teams move fast
- Repeat Investors: Working with Adler is profitable

- Good track record: Avg 20% annual ROI for investors

### Investment strategies:

- Buys properties that are undervalued, holding periods vary
- Buys cash-flow properties: high-quality, fully-occupied, with significant profit potential 5-10 year holding
- Buys value-add properties: resolve poor management, below-market rents, and maintenance issues; 2-3 year holding (or until deficiencies are resolved)
- Buys below-market-rental-rate properties: slowly increase rates as contracts expire; 3-7 year holding
- Develops: raw land or underutilized structures; depending on risk and strategy, equity may be returned and property used for cash flow, or could be sold for profit

## VAN AUKER COMPANIES

Van Auker Companies has been building, leasing, and developing in the Treasure Valley since 1969. They currently manage 2 million square feet and own 5,000 acres of land. Van Auker Senior and Junior have been highly involved in the community, serving on boards, speaking on panels, and regularly attending chamber meetings.

### Differentiators:

- Design, construct, and manage leases on all buildings they own
- Specialize in facilities for warehousing, distribution, food processing, high-tech and R&D companies
- Super-flexible leases for growing companies who need new space quickly
- Timely: Acquisition and disposition teams move fast
- Experience and resources to stand in any economic climate
- LOCAL (began in Caldwell, ID)
- Builds quality relationships
- Integrity and service
- Environmental stewardship (metal recycling)

# INDUSTRY ANALYSIS

## COMPETITIVE LANDSCAPE

### Strider Group LLC

Strider Group is a family-owned and run, full-service commercial real estate development company focused on industrial projects in the Treasure Valley. The Strider Group is close to having the new Gowen Industrial Park fully leased with the signing of Bimbo Bakeries.

**Differentiator:** A vacant land portfolio of over 100 acres, Strider Group has the capability for build-to-suit industrial projects between 20,000 and 200,000 square feet.

**Unique Selling Proposition:** Strider Group endeavors to be the facilities partner to tenants, not just a landlord, and attempts to create efficient building solutions that assist in their growth and success.



## Rocky Mountain Companies

Rocky Mountain Companies is a full-service commercial real estate development and investment company that creates solutions for its tenants and investors. RMC's expert practitioners, unparalleled market expertise, and best in class projects put them at the forefront of development throughout the northwest.

**Differentiator:** RMC has noteworthy experience in the industrial sector, including owning a major industrial/flex project in Portland, Oregon and redeveloping numerous industrial/flex properties in Idaho. Rocky Mountain Companies experts will ensure properties receive maximum exposure through aggressive marketing techniques, results-oriented philosophy and a commitment to providing each listing with the tools required to fill vacant space or sell a building.

**Unique Selling Proposition:** Rocky Mountain Companies can help tenants make decisions in their company's best interest--saving time, minimizing cost, and maximizing value.

## Bayside Capital

Bayside Capital, Inc., is a global investment firm that focuses on investing in middle market companies facing operational or financial challenges. Bayside Capital is focused on middle market companies that can benefit from operational enhancements, improved access to capital, or balance sheet realignments. Bayside Capital actively seeks to partner with owners, managers and creditors to achieve the best outcome for all stakeholders. We have a broad investment mandate that allows us to invest across the capital structure.

## BUSINESS CLIMATE

The business landscape in Idaho, and the Treasure Valley in particular, has both strengths and weaknesses. The wage cost is much lower than the national average, but the tax climate index ranks Idaho as middling. Unemployment is low in the Boise area compared to the national average, as are vacancy rates. These statistics point to opportunities for businesses to add jobs to a growing market, as well as show that doing business in Idaho is relatively less expensive than many other states.

# SWOT ANALYSIS OF ADLER INDUSTRIAL, LLC

## STRENGTHS

- Computerized accounting and reporting systems
- Smart, experienced employees
- Experience in a larger market
- High standards & principles
- Relationships with tenants
- Leadership cohesion
- Quality and location of assets (Class A properties)
- Future planning
- Organizational structure
- Executive presence
- Focused

## WEAKNESSES

- Big California business
- Internal structural changes may be disruptive
- Buying assets at potential market peak
- New to the market; no brand equity or network
- Niche market
- Different ways of building relationships (brokerages versus clients directly)
- No established physical HQ
- Nervous employees (internal unrest)
- Potential team management issues

## OPPORTUNITIES

- Improved marketing strategy
- Build brokerage relationships
- Expansion of types/focus industrial buildings
- Keep up with high demand
- New HQ is a fresh start

## THREATS

- Losing tenants
- Losing employees
- Market changes
- Vacant properties
- Competition in the market
- Inconsistent relationship with brokers
- Losing Van Auker equity
- Possible unwanted media coverage, negative public reaction to California investment

# MESSAGING DEVELOPMENT

## OVERALL MESSAGING STRATEGY

All messaging will be developed in collaboration with the Adler team in order to create a tone that's true to their preferred communication style. Below are messaging guidelines for each potential audience and context.

## BRAND MESSAGING GUIDELINES:

Brand messaging will act as an “elevator pitch” of sorts. Brand messaging should highlight what makes Adler different from their competitors and establish that they're bringing experience, quality, and progress to the Treasure Valley.

The Adler team will utilize their brand messaging on their website, communications with potential tenants, brokers, and community members. Highlight that Adler is bringing opportunities to move Idaho forward.

- Tell Mike's story of his long history in the West
- Focus on Class “A” industrial space
- Describe how the business will foster trusting relationships with tenants.

## INTERNAL AND TRANSITION COMMUNICATIONS GUIDELINES:

To report about the transaction, as well as build an internal communication strategy, it's important to create consistent messaging throughout the organization. It is vital that this messaging explains how Adler leadership shares many of the same philosophies and values as Van Auker, which means business will continue without much interruption.

The Adler team can speak confidently and effectively about the transition, internally and externally by using these guidelines in formal communications such as letters and emails, as well as in conversations with people in the community.

- Nod to the work and brand equity built by Van Auker Companies over the last 50 years.
- Illustrate what Adler will bring: updated technology, future planning, a more transparent organizational structure, etc.
- Ensure seamless transition and be transparent about any changes.
- Confirm consistent availability to tenants



## TENANT COMMUNICATION GUIDELINES:

To formally introduce themselves to tenants and explain the transaction has officially occurred, Adler Industrial would benefit from sending a letter to the tenants. This letter should:

- Introduce any incoming Adler team members
- Reinforce the promise of a seamless transition
- Remind tenants they can still communicate with Brad Miller
- Illustrate the similarities in philosophy among the two businesses: Our tenants are our number one asset--our properties are second
- Promise to be a good business partner to the tenants, helping them to do business in the best possible way

## BROKER COMMUNICATION GUIDELINES:

One of the goals of Adler Industrial is to establish a national presence among brokerages, and potentially do more work with Idaho brokers in general. We recommend introductory letters and emails to brokers in and out of state to demonstrate:

- Good business climate and population growth in the Treasure Valley

- Adler's focus on Class "A" industrial properties
- The philosophy that tenants come first.
- Adler's ability to bring updated technology, organizational structure, experience and expertise
- Ongoing investment opportunities

# PUBLIC RELATIONS

## STRATEGY

Our strategy for PR will be "less is more." Because Adler Industrial would prefer to fly under the radar, we will limit the opportunities for interviews to a deep dive with Don Day on boisedev.com. Don Day has been covering Boise news for the past 20 years. His website is the primary source of development news in the area.

This interview will provide the Treasure Valley with an introduction to the company's background, goals, and philosophy. This feature will allow DaviesMoore and Adler Industrial to stay ahead of the media.

## PRESS RELEASE MESSAGING GUIDELINES

To develop and ensure the right messaging, DaviesMoore will construct the press release. In our press release, we will steer clear of disclosing the exact amount of the transaction, and focus instead on the square footage, opportunity for business growth, and Mike Adler's long history in the Mountain West.

The press release will also include a nod to the continuity of quality and care tenants will feel with Adler Industrial, as well as pay homage to Van Auker Companies' positive impact on the community. We will deliver to select business and trade publications, but will not release to local broadcast news.

## WEBSITE

Although the new Adler Industrial full website will not launch for a few months, DaviesMoore will create an interim website by either reskinning the current Van Auker website with Adler Industrial branding or building a quick landing page until the new site launches. The website will serve as a way for all internal and external audiences including potential tenants, investors, and brokers to find the information they're looking for and contact the right people.

## OWNED AND PAID MEDIA

Although we will not be implementing owned or paid media at this time, there are opportunities for both after the completion of the website.

## NEXT STEPS

## MARKETING COLLATERAL

Now that Adler Industrial has approved an initial logo design, DM is in the process of creating new marketing collateral including a pocket folder, business cards, letterhead and envelopes.

---

## REFERENCES:

1. <https://taxfoundation.org/state-business-tax-climate-index-2019/>
2. <https://taxfoundation.org/state-business-tax-climate-index-2019/>
3. [https://www.bls.gov/regions/west/summary/blssummary\\_boise.pdf](https://www.bls.gov/regions/west/summary/blssummary_boise.pdf)
4. <https://www.bls.gov/oes/current/oessrcst.htm>
5. <https://www.bls.gov/regions/west/data/xg-tables/ro9xg02.htm>
6. <https://www.tokcommercial.com/boise-msa>
7. <https://images.tokcommercial.com/webphotos/tokcorporate/Current-Monthly-Newsletter.pdf>

THANK YOU!