

The Name Game

When launching a new company, one of the first orders of business is coming up with a firm name. In a competitive marketplace, more companies are realizing the importance of establishing a recognizable, memorable name. In fact, during the past few decades, naming has become a big business in itself, with specialist firms charging clients \$50,000 and much more to develop a company or product name.

In a very insightful and funny article on the naming industry that appeared in *Salon* magazine (www.salon.com/media/columnists/shal/1999/11/30/naming/print.html), one naming industry executive was quoted, "A typical naming process costs about \$75,000. Now that might sound like a lot of money. But naming is very difficult and challenging. There are rules to follow. Rules of linguistics. Rules of trademark. Rules of international corporate nomenclature. It's not just a process of pizza and beer around the table."

Try telling that to company founders in the real estate investment advisory business, where unimaginative names are the rule rather than the exception. But, on the other hand, you've got to like the fiduciary responsibility of these executives, who wisely decided their seed money could be better invested in areas other than the naming process.

Case in point, as the *Salon* article points out, companies can spend hundreds of thousands of dollars to end up with forgettable and confusing names such as Aquent, Avilant, Agilent, Levilant, Naviant and Telegent.

In the real estate industry, and in the financial services industry in general, it seems the prevailing philosophy is KISS (keep it simple, stupid). But even in simplicity, there can be confusion.

Consider the following list of firm names: BlackRock, Black-

Executive Summary

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 - ◆ **A creative firm name is often derived in a Mexican restaurant with good margaritas.**
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stone, BlueStone, Equastone, Lionstone, Cornerstone, Hearthstone, RockBridge, Rockpoint, Rockwood, Starwood, StarPoint, Lone Star. Fortunately, for some inspired investment manager of the future, RockStone and BlackStar are still available.

And then, we have the firm names that are also an address, but not the address where the said firm is located: Walton Street, Harrison Street, Barrow Street, Buchanan Street, High Street, Spear Street, Arch Street.

And perhaps the most common type of firm names are those derived from the names of their founders, examples of which include RREEF (Rosenberg Real Estate Equity Funds, after founder Claude Rosenberg), AMB Property Corp. (three founding partners: Doug Abbey, Hamid Moghadam and T. Robert Burke), AEW Capital Management (Peter Aldrich, Tom Eastman and Mark Waltch), Lowe Enterprises Investors (Robert Lowe), MacFarlane Partners (Victor MacFarlane) and URDANG (Scott Urdang).

These firm names may not be in the same league as Apple and Nike, but then again they are not as bad as the insipid name of Portland-based hedge fund manager Common Sense Investment Management (if it was common sense, why would we need an investment manager?).

Among real estate investment advisory firms, one inspired name stood out, possessing both creativity and clarity: Hawkeye Partners, an Austin-based real estate private equity firm.

"The key to a good name in this case started with a night in a Mexican restaurant with margaritas and then later cigars," explains Scott McArtor, co-founder and managing partner at Hawkeye Partners, chuckling. "We were trying to find something that was both different and memorable, and something that reflected the mandate of at least one of our programs, the Scout Fund, which is focused on finding new managers. We began discussing [James Fenimore Cooper's] *The Last of the Mohicans* and the lead character named Hawkeye, who is also a scout. We thought that would be perfect and reflect who we are in the marketplace."

"What I liked about the name is that if you look up the definition of 'hawkeyed,' it means having a keen eye and being sharp-sighted, discerning, perceptive, watchful," adds Claudia Faust, the firm's other co-founder and managing partner. "The name represents who we are; our whole mandate is to find areas where institutional investors are underserved and then try to come up with creative ways to meet those needs. We also wanted to be viewed as being a good steward of our investors' capital."

Kudos to the founders of Hawkeye Partners and the fine margaritas at Javier's restaurant.

But the bottom line is that no matter how good, or how bad, your firm name might be, it is only as valuable as the marketing dollars and the business behind it. You need both a marketing budget and a well-run company to make a name or product meaningful. Otherwise, it doesn't matter how memorable or clever your name is. ♦