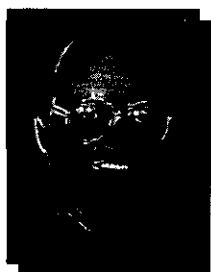


Well-Founded Compensation Plans Benefit Sales Associates and Your Bottom Line



David J. Cocks

Whether you're in the process of actively recruiting new candidates, settling the sales associate details of a recent merger or keeping your

existing sales force motivated, David Cocks, CompensationMaster, offers these tips for effective compensation plans so they become your company's crowning glory—not a sticky wicket.

Research your competitors' offers.

Don't assume you know what they are doing now. The more you know about what other companies are doing, the more effectively you can compare your own plan with new recruits and current associates who are hinting about jumping ship. "Many times you'll be able to show that a plan that sounds better really isn't. Good software can provide you with a graph to show the differences overall, as well as a chart that will let you look up their production level from last year to compare actual earnings," explains Cocks.

Revise your compensation plans after a merger or an acquisition. The natural tendency is to keep sales associates on the same plan they were on before. Yet the combined company may not have the same expense structure as the individual businesses did, so plans that worked previously may now be unprofitable.

To counter this, Cocks suggests broker/owners review and normalize the profit and loss statements (P&Ls) before the merger takes place. "Each company has different ways of structuring commissions and handling expenses. It is essential to look at the true profitability of each company before the merger, and then evaluate it again after the two businesses have been combined."

Analyze potential risks before offering salaries. "Traditionally, the largest cost for a brokerage is commis-

sions, which are a 'variable' expense. This means they vary with revenue. In other words, if you have no revenue, you have no expense. When you offer salaries, you are converting a 'variable' cost to a 'fixed' cost. That means you have the expense whether or not you have any revenue.

"When you consider the financial implications of offering salaries, you need to first make sure your financial model is correct. If you're using the traditional method of calculating break-even, it probably isn't. Then you need to analyze the specific risks for your company, including such factors as the seasonality of your business and your ability to generate revenue when the market is slow."

Offer a variety of plans to meet different sales associate needs. Many broker/owners offer little choice in compensation to their sales associates. An experienced sales associate may find a 100 percent plan most appealing, while someone new to the industry might be more attracted by a salary or split with draws.

"Often brokers are reluctant to tackle the complexity of administering multiple plans," says Cocks. "Yet with the proper software, it's quite simple. For example, if you have salespeople who are just coming out of college or have been given the 'golden handshake' from another industry, a commission plan that allows you to pay a salary or a draw against commission can be a powerful recruiting tool. However, good salespeople will want the opportunity to earn a high reward. So you need to allow them to move into a full commission plan later."

Offering multiple plans also allows you to provide support services to the sales associates who want them without requiring all associates to share the cost. "Someone who just got her real estate license needs support services. These cost the broker money, so she should get a lower commission. As she becomes more successful, she can graduate to a

different commission plan—one that offers a higher split—because she now requires fewer support services and costs less to have on board. If she eventually wants to run her own business within a business, you can offer a 100 percent commission plan where she only pays for the specific services she wants."

Be attuned to your sales force needs. About 75 percent of the time, when sales associates leave a company, they leave for reasons other than money, according to Cocks. "Sales associates can tell the difference between brokerages and are willing to pay for valuable services."

His advice: Listen to your salespeople. "When we design plans for clients, we try to find out what the sales force wants and design around that. Often small-dollar items have highly perceived value and are easily built into the compensation plans."

Base split levels on production, not longevity. "As sales associates get older, many decide to cut back on their work hours and no longer deliver the same high levels of production. But broker/owners never change their compensation structure. The assumption is that they've been with a brokerage for 20 years and should still get 70 percent, regardless of their production levels. Meanwhile, the broker is left trying to cover expenses with 30 cents on the dollar rather than 50," Cocks says.

Treat sales associates fairly (no favoritism). Everyone needs to pay their fair share; no one should be subsidizing anyone else, according to Cocks. "I've worked with many companies to turn this type of situation around, and the sales associates say it's like a breath of fresh air, because all they want is to be treated equally and fairly." **M&T**

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Use an Intranet as an Effective Recruiting and Retention Tool

By Stephen M. Canale



Stephen M. Canale

Not too long ago, a company's name and reputation might have been the primary consideration that attracted new recruits and kept the existing agents loyal. Today, however, top-producing agents are branding themselves, taking charge of their own lead generation and looking for something more from their firms. In order to thrive, brokerages need new ways to compete for the most desirable recruits and something unique to offer their current sales force in order to nurture loyalty. For many broker/owners, a well-designed intranet might be just the right tool for the job.

What Is an Intranet?

The easiest way to conceptualize an intranet is to think of it as an extension of your existing Web site that is accessible only to your sales force. While you can accomplish this task in many ways, a straightforward method would be to create a new file directory within your existing Web site and apply password protection to its contents. You can even create different levels of access to your intranet by segregating documents into directories that have separate passwords.

As an intranet can contain any amount of information and functionality you desire, the cost will depend entirely on your goals. However, as an extension of your existing Web site, you would likely spend less on your intranet than your original Web development costs, presuming that they have similar technical functionality.

While the design element can be whatever you like, I'd suggest modeling your intranet to reproduce the functionality of successful consumer portholes such as Yahoo and Lycos. The key concept here is to make your intranet the most efficient source for

the information your associates need. This is not the place to "wow" the visitor with a fancy design, but instead, to make the information fast loading and easy to access. For example, if your sales associates can view new listings easier and faster when they're posted on the coffee room bulletin board than they can access the same information on your intranet, then your intranet will fail to add value to working for your firm.

If you've designed your intranet to be efficient, then you need it to be used. A good way to achieve this is to encourage your sales associates to set the company's intranet address as their browser's "home page" (or do this for them). By doing this, your intranet becomes the first thing your associates see each day when they open their browser, and can then efficiently serve as their access point for all their real estate information.

What Can You Do with an Intranet?

I'd suggest that you start by writing out a list of all the obstacles, barriers and inefficiencies that in any way impede your sales force's productivity on a daily basis. Ask yourself which items on this list create enough frustration among sales associates that their removal would make working for your company more attractive. Then, consider how an intranet might be used to achieve this goal. Depending on your list, you might consider creating an intranet to the following:

Reduce Paperwork

- Put all your standard forms, including contracts, addendum and profile sheets, online in electronic format. This would allow sales associates to retrieve the forms they need, when they need them.

- Have your support staff scan all of the paperwork for pending deals so that sales associates can always be prepared to review transactions with their clients and/or while they are away from the office.

Enhance Efficiency

- Create online forms that enable your agents to submit advertising copy, schedule open houses, and order marketing materials and services without touching a piece of paper.

- Create a section where your sales associates can immediately promote new or upcoming listings in order to enhance the potential for quick in-house transactions. A similar section on what current buyers are looking for would also have the same end result.

Share Information

- Naturally, all of your company memos, schedules and meeting agendas need to be on your intranet. Not only does this save paper, but it speeds the delivery of important information as well.

- Share timely and important real estate news either by updating the site internally or by contracting with outside real estate news sources such as RealtyTimes.com, PropertySource.com and Inman.com.

- Provide links to your MLS, useful real estate Web sites and the sites of business partners or affiliates so your sales associates can use your intranet as the place to start whenever they need information from the Web.

How Will an Intranet Help Recruiting and Retention?

Let's say that you implement some of the suggestions offered above. Take a look at how this intranet might affect one of your sales associates on any given day:

Jodi starts her business day by opening her browser, which automatically goes to your company's intranet site. Once there, she takes a quick look at new listings entered by your company's sales force last night and recognizes a potential match with one of her buyers. She calls and sets up a showing during lunch.

She takes a few moments to review a company memo regarding an office policy update and then looks

Create Technology Partnerships with Your Sales Force

How an Intranet Becomes Key to Sales Recruiting and Retention

at the Tuesday morning meeting agenda. While scanning the tour schedule, she notices another listing she would like to preview for an out-of-town client and makes a mental note to attend.

Jodi scans a couple of real estate news headlines while finishing her coffee and then takes some time to make her customer follow-up calls. One of these calls is to a seller who is ready to have an initial open house, and she agrees to have one this Sunday. While still talking to the seller, Jodi submits ad copy to the brokerage's marketing department using the intranet.

Just before leaving to pick up her buyer, Jodi runs an MLS search, linked from your intranet, to check for recent comps and prints out a quick CMA to review with the buyer on the way to the showing. As it turns out, he likes the home and wants to make an offer. Jodi goes back to his office and uses his computer to log onto your intranet. Together they fill out an offer on screen before printing a copy for the buyer to sign. They also print and sign a listing agreement, profile sheet and a dozen other forms needed to get the buyer's home on the market if his offer is accepted. Within minutes his current home shows up on your intranet's "upcoming listings" section.

Later that afternoon, Jodi checks her voice messages. There's one from a local broker asking about meeting for lunch on Thursday; she knows exactly why he's called.

This broker runs a fairly average brokerage with an aggressive commission plan, but he invests little in technology. He's been trying to recruit Jodi for some time now.

What do you think his odds are?

More importantly, what, if anything, is your firm going to do differently next year? **MIST**

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Technology continues to be a powerful draw for recruiting today's young sales professionals and retaining seasoned associates. At Arvida Realty Services in Florida, one such attraction is ArvidaRealtor.com, the company's intranet. This is the "back end" of the company's Web site and drives about 75 percent of the content for ArvidaRealty.com, its "front-end" consumer site.

"Our 'Members Only' intranet is not just a link off of our site's front end. It's a major component," says Rosy Messina, director of Internet marketing and development at Arvida.

The philosophy behind Arvida's technological developments is straightforward. "We decided that we needed to control our own data if we wanted to control our destiny. Almost everything we've done technologically has been based on that premise, and it has worked in our favor," says Messina.

Another basic tenet, she says, is that brokers and sales associates must create partnerships in order to survive in the future. "Sales associates need to understand technology, but they can't do it all by themselves. We believe our responsibility in this partnership is to provide technology tools such as our intranet site that are worth our associates' time—and aggravation—to learn. The intranet or any new technology venture has to either save our associates time or make them money, otherwise they won't use it."

To enhance its partnership with sales associates, Arvida Realty Services decided to reduce offline channels for information and put everything online for three reasons—to push sales associates into understanding technology, to ensure sales associates receive accurate information in a timely manner and to increase sales associate productivity. But what makes the company's intranet truly unique, says Messina, is the framework from which it was built.

"All 3,700 individuals who work at Arvida 'co-author' the site. By that I mean sales associates and staff can go into the site, enhance and modify their property listings, add photos and copy, or create their home page. We built the entire system based on the guiding principle that everyone is an active participant in the site. This is very different from what many of our contemporaries are doing," she explains.

To support this "co-author" concept, Arvida Realty provides extensive training and timely, ongoing support to ensure everyone enters quality material into the company's site. Messina likens the training process to "eating a watermelon—you can't do it all in one bite." Initially, she and the director of Internet technology held hands-on training sessions for 100 managers and eight regional marketing directors. In turn, the marketing directors held sales associate training workshops for six months, the managers held small group sessions in their individual offices, and sales associates attended off-site training sessions.

"Our training is continuous because of new recruits and existing sales associates who have jumped on the technology bandwagon," says Messina. "I still conduct eight to 10 large, sales associate group sessions each year at major events like our company's convention, top producer conferences, large regional sales meetings and at the Arvida University."

Also to ensure the quality of data entered by sales associates and staff, Arvida's marketing directors receive notification when sales associates revise their home pages or listings. Those areas are continuously spot-checked, and the managers and marketing directors hold complete editing control.

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"We considered this option carefully at the site's inception and concluded that giving our sales associates the freedom and flexibility to 'co-author' the site was critical. We have no real problems since the core data is uploaded on our sales associates' behalf from the 16 local MLSs; the associates just enhance it. The 'co-author' idea was a risk we decided to take; we believe the more we can empower our sales associate and staff, the better," explains Messina.

Another way Arvida maintains the integrity of its data is the use of four permission levels to access the system—sales, managerial, regional and statewide. Each level accesses more and more data. For instance, sales associates can access their individual listings and home page, while only senior management and IS personnel can access statewide information about the company's 10 regions.

On the management side, the Internet-intranet generates invaluable statistical information for marketing

purposes. On the sales side, the intranet's lead generation system delivers referrals in real time to a sales associate's desktop—a distinct recruiting and retention advantage.

Called the Arvida Realty Services Lead Management System, it links all Internet customer leads back to the intranet. "This is the centerpiece of our back-end system. All leads—whether they come from HomeAdvisor, Homes.com, Realtor.com, LoopNet.com or our own Web site—accumulate into a lead report, which is immediately channeled to the listing agent. Managers ensure leads are answered in 24 hours or less, and if necessary, they can reassign leads via the system to other sales associates. We don't charge referral fees; we just want our sales associates to take care of our customers," explains Messina.

"We're seeing just over 100 sales a month as a result of our lead generation system. Although this is modest considering our volume [as of September 2000, \$6.5 billion with more than 30,000 units], we know that this is where consumers are heading," she adds.

"Companies that will prosper in the next three to five years will need

to look for a different recruit. These recruits will have to feel comfortable with a certain amount of technology. We've attracted quite a few young professionals in their mid-20s who are considering real estate as their first choice of a profession. You have to gear up and be ready for these folks," Messina advises.

In addition, she says consumer expectations will drive the industry in the next three to five years. "Consumers will expect e-mail communication, the ability to access their transaction information, and their listings to be online within a few hours after they're given to sales associates. Consumers are demanding these additional services, so you have to equip your existing sales force and attract new recruits who are comfortable with technology." **MI&T**

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Secrets to a Successful Intranet

Rosy Messina, Arvida Realty Services, offers these tips for creating a dynamic intranet:

- **Select a complementary Internet/intranet design company.** Although Arvida interviewed several companies nationwide, it chose a firm in its own backyard—HydrogenMedia.com in Clearwater, Florida. Messina cites two positive aspects of working with this company: the luxury of continuity since the relationship has continued with the same core team of programmers and designers for three years, and the fact that HydrogenMedia was *not* familiar with the real estate business.

"The folks at HydrogenMedia see things from a consumer's perspective, which is extremely valuable to those of us who think consumers know the intricate ins and outs of the real estate business. They constantly communicate the best way

to lead consumers intuitively through the site," says Messina.

Although actual development costs are not disclosed, Messina says the company contracted for development of the Internet and intranet at the same time. Costs for hosting the site are under a separate agreement. HydrogenMedia develops quotes based on a set hourly fee for maintenance projects and small "fixes" that are initiated by Arvida.

- **Build or modify your intranet based on sales associate input.** Sales associates leave suggestions in an open forum area of the "Members Only" section of Arvida's intranet.

"Our director of Internet technology and I hand review all suggestions that come to our e-mail hotline. We receive about 1,200-1,500 e-mails a month, and every one is answered in 24 hours—no exceptions. Also, our Web administrator

handles the day-to-day inquiries such as retrieving passwords."

- **Provide initial training and ongoing support.** Managers and eight regional marketing directors provide one-on-one support for sales associates. Arvida also developed basic online tutorials for major components of the intranet, and the site features a "Frequently Asked Questions" section and a "Welcome Screen" or desktop/home page that directs sales associates to new areas of the site. In addition, four strategic outside vendors provide specific training, such as how to conduct e-farming or virtual home tours. No other dot.com vendors are allowed in their sales offices.

- **Don't operate in an ivory tower.** "We're out in the trenches a lot working with managers, sales associates and staff. The day we stop listening and responding to them is the day we close down."

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RECRUITING AND RETENTION: WHAT VALUE DOES YOUR BROKERAGE OFFER?

Effective recruiting and retention—it's an age-old industry concern, but one that demands new respect in an age of acquisitions and mergers and a shrinking sales force. This issue of Management Issues & Trends takes a strategic focus at the topic, examining the impact of a broker/broker's vision on salespeople's commitment, management's ability to construct appropriate compensation plans and the underpinnings of creating an intranet as a cohesive management and sales-marketing tool.

First, find out what really happens in recruiting presentations based on actual interviews attended by a former broker who posed as a sales associate recruit as part of her consulting business. Based on sales associate surveys, also read what associates really want from their brokers and what will keep the solid performers from leaving.

Next, do a quick analysis of your compensation plans by reviewing some ideas about salaried salespeople and multiple commission plans from industry guru David J. Cocks of CompensationMaster.

Then a real estate technology specialist lays the groundwork for creating a powerful intranet, a compelling recruiting and retention tool nowadays. Read how Avida Realty put an intranet into action, and learn the secrets of its success with sales associates.

Finally, see page 4 for the Management Issues & Trends 2001 editorial lineup. Let us know how you'd like to contribute!

Recruiting: What Really Happens When the Rubber Meets the Road

By Kathleen M. Teare



Kathleen M. Teare

I *Imagine this scenario through the eyes of a potential recruit: A week ago I had an interview with you. Since then, I've had the opportunity to think about which real estate company I want to join. I've interviewed with four companies, but quite honestly, I'm not sure I want to be a real estate sales associate. Your company came the closest to what I was looking for, but I have several concerns.*

I really don't know what your company stands for and what makes it different from the other three. You were very nice to me and told me many times how much I would enjoy working with your "family." In fact, maybe you were a bit too anxious. You told me you would teach me everything I needed to know, and in no time, I would make a lot of money. You gave me your commission splits and said they were the best in town. (By the way, they're not.) You said your sales associate training was the best, but you weren't specific about what training you offered.

You talked about technology and how state of the art your company is, but you never even turned on your computer. You said your Web site was the best, but you never showed it to me or pointed out its benefits and how it could help me make more money. Later, I visited your Web site and found it confusing, as I'm sure potential buyers and sellers do, too.

You told me floor time would generate leads to help me get started and I would get referrals from your system right away. On the office tour, I met the staff and some sales associates. Everyone said your company was a great place to work, so I guess it must be. You said my time was my own; I could work as much as I wanted and didn't have to punch a clock. I could be my own boss, but then every broker said that. In fact, every company said just about the same things you did. There was one exception, though. Every company said little about customer service and customer satisfaction.

You asked me to tell you about myself. I said I work for a retail company in sales. Everything is clearly stated there—company expectations, the company game plan, our company's competitive differences and our company's belief that customers are our business. We use computers in every facet of the business, so I'm comfortable with a computer. I like the company, but after 10 years, I

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decided there had to be a way to make more money.

Great, you said, I would fit right in. When could I come work for you? I said I wanted to think it over and talk to a few more companies. You said to call if I had any questions or needed more information. You hoped I would consider joining your company. You sent me a nice note, called to see if I had gotten it and if I had made up my mind. I said no—I was still weighing my options.

Does this scenario sound familiar to you? It might. It goes on time after time in brokerages all across the country. As a consultant to the real estate industry, I interviewed about 30 companies this past year, posing as a prospective sales associate. I can tell you this scenario is common—regardless of company size, position in the marketplace or location. I've interviewed managers, company owners and recruiters. I'm sure many of them have been to recruiting workshops and are aware of recruiting techniques, but what I'm proposing to you is that the execution is very poor.

Based on my experiences, recruiting presentations were not organized. They did not even begin to explain the company's culture or the values on which the company based its business philosophy. And only once was business planning discussed. In three instances, minimum performance standards were brought up, but then I was told they were flexible. When I asked what made a broker/owner's company different from his or her competitors, I heard these answers: The company was like a family, everyone looked out for one another, and they were the best company. *Everyone said the same thing.* Customer service was not discussed as a means of differentiation, yet it is the age of the consumer.

Once I got past the sign on the front door, I seldom saw anything to reinforce the benefits of a company or its values—much less any

reinforcement of the company name. A recruiter's office—or wherever recruiting interviews take place—should be covered with company promotion. Successes were not posted to reinforce daily to sales associates that they were with the best company. Out of all the companies I interviewed this past year, I met only four managers who were truly outstanding recruiters, which pretty much follows the 80/20 rule.

Now, let's talk about some solutions. I'd suggest that more preparation should go into the "front end" of recruiting to produce better "back-end" results. Let's start with you and your company. Who are you? What does your company represent? What makes your company different from the competition? What are your

"What does your company represent? What makes your company different from the competition? What are your core values? What is the culture of your company?"

core values? What is the culture of your company? The dictionary defines "culture" as the characteristic features of an organization and its customs. These questions can be difficult to answer, but you need these answers so you can communicate them to your sales force.

People want to work for leaders. They want to know your vision because that is where you will be taking them. If you don't know where you're going to take them, then how are they going to get there? Their success determines your success. My partner had a sign in his real estate company that said, "You have every right to fail in real estate—but not here!" It was a good philosophy because it let everyone know what the company was about.

The next step is to find out what your existing sales associates think of your brokerage. If you don't know, ask them. But don't necessarily expect the whole truth; they don't want to hurt your feelings. Also, be aware that what they complain about may not be the most burning issues. It may take some probing on your part to get to their true complaints. A word of caution: What *they* think is *reality*, what *you* think is *perception*, and be careful of the gaps in between. With our clients, we use a sales associate opinion survey, which gives broker/owners a quick, down-and-dirty snapshot of the company. Over the years, we've seen sales associates often give low scores to the following areas, highlighting the large gap between perception and reality:

- Sales associates have a poor opinion of their managers and owners as recruiters and their ability to retain agents. You can't hide these



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things from them; they know when you aren't getting the job done.

• **Compensation is a source of dissatisfaction with sales associates while management usually thinks otherwise.** If your sales associates aren't satisfied, they won't be any help to you in your recruiting efforts. Now, I'm not suggesting you give away the company store, but I am suggesting that you educate yourself on your competitors' compensation plans, and present and reinforce the benefits of your total compensation package to your associates.

• **Sales associate performance reviews and business plans often receive low scores.** As the saying goes, people respect what you inspect. People need to be led to success; and if you are not helping them plan to succeed, then you are not giving them what they need and want.

• **Opportunity for sales associate input, community support and local board of REALTOR® involvement often score low.** Look at what you are doing in these areas and see how you measure up. That can indicate what your organization is about, which may not be too attractive to some folks.

• **Most important, many associates are dissatisfied with the available training, particularly technology training.** You do not have to do the training yourself, but you need to assess the needs of your team and guide your associates to the training they need. Leading by example is the strongest way to demonstrate your commitment in this area.

Several industry studies done over the past few years say that sales associates will change companies if they feel their current company is not guiding them to a higher level of success. If you

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Successful Recruiting and Retention Strategies

Success Real Estate Co. is in a mid-size city located between two large metropolitan areas. A national magazine ranked it the 10th best city to live in for a city its size. The city's population base is 171,000, with the county adding a half million more people. The local board has 700-plus sales associates and, at any given time, 2,800-plus listings in inventory. A profitable, 4-year-old company, Success has 38 associates and has sustained a strong growth pattern each year. It is No. 3 in market share and has two strong competitors. The recruiting environment is intense. Here's how Success distinguishes itself from its competitors:

The Vision

- To provide the highest level of customer service of any company in our marketplace with the most committed and best trained personnel available.
- To provide the best possible working environment for our valued personnel.
- To realize a reasonable rate of return to ensure sustainable profits for the company so as to achieve our commitments to our customers, personnel and owners.

Core Values

- Outstanding reputation for honesty, integrity, ethics and caring.
- Customer-focused at every level of the organization.
- Everyone is accountable, especially owners and management.
- Go the extra mile and beyond.

Competitive Differences

- A strategic plan to achieve its goals.
- A business plan for each sales associate.
- High customer satisfaction ratings.
- Commitment to the growth of the individual through education and training.
- Use of technology to improve processes and enhance productivity.

Communication of Company Goals

- Company meetings.
- Visually throughout the organization.
- E-mail messages and memos at frequent intervals.
- Company marketing and advertising programs.

Customer Service Components

- Customer service plan includes all organizational levels.
- Measurement of service delivery to each customer.
- Follow-up program with all past customers.
- Company recognition of an associate's service delivery.

- Communication specifically related to customer service successes.

Associate Buy-In and Feedback

- Agent surveys.
- Associate advisory councils.
- "Open-door policy"—be accessible.

Compensation Packages

- Competitive compensation packages that go beyond a "commission schedule."
- Bonuses tied to customer service ratings for all personnel.
- Well versed on what the competition is offering.

Key Recruiting Tools

- A recruiting plan.
- Job applications specific to the open position.
- A well-planned presentation.
- A job description for every position with set expectations.

Key Retention Tools

- The company vision and goals.
- Company successes.
- "Walking-around" management/coaching skills.
- Re-evaluate your company on an ongoing basis.
- Use your recruiting plan to re-recruit your people every day.

Recruiting: What Really Happens . . .

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do not have your house in order, it will hurt your recruiting efforts. This kind of information always finds its way out of the company.

You've answered the tough questions and now know what your associates think about the company. What's next? Communicate to your sales team your answers to the questions about company goals and values. Then acknowledge their opinions and find ways to work together to make sure everyone in the boat has their oars going in the same direction. Until

"What [sales associates] think is reality, what you think is perception, and be careful of the gaps in between."

these issues are resolved, your recruiting efforts will be missing one of its most needed ingredients—agreement on what the company is all about and how it will achieve its goals.

This is what I call the "front end" of the recruiting business. Once the company vision is communicated to everyone from the cleaning person on up, then everyone will want to become part of the recruiting process. They will believe in you and what the company represents. In one of my interviews, a broker had me spend time with his top sales associate who had been with him for years. He probably thought she would convince me to join the firm. Instead, she told me *not* to join and said she was leaving the company because it was behind the times and played favorites with referrals. She did leave. To this day, I'm sure that broker doesn't understand why. Other ways to develop the "front end" of your business for superior recruiting include:

- **Use your company analysis as a recruiting tool.** Let your recruits know that you constantly evaluate the company and are constantly working on improvements. Don't be afraid to admit a few flaws. It shows you are human and you will be respected for that.

- **Put together a planned—not canned—presentation.** Don't wing it. Clearly show all the company's features, and don't forget to give the benefits. You are selling your "house" to them.

- **Know your competition as well you know yourself.** How can you compete effectively if you don't know what you are competing against? How can you differentiate yourself if you don't know what makes you different?

- **Recruit to your strengths.** Know what you do better than anyone else and focus on that. You can't be all things to all recruits who walk in the door. Know what is important to your company and find out what's important to your potential recruits. If you have a match, then go for it.

- **Focus on consumers.** This business is all about consumer needs and wants—*not* about what brokerages want to deliver. Let it be known in your organization that customer service is everyone's business. Know your customer service ratings, and use them to differentiate yourself from the competition and recruit the right personnel.

- **Keep evaluating your company and recruiting efforts.** Your success will be judged by the success of your team. You have a lot invested in each member you add to your team. If you're hiring people who are not meeting your company's standards, then look in the mirror—you'll see the root cause of the problem.

Recruiting should be fun, something you enjoy because you believe in yourself and in your company. You must honestly feel it is the best brokerage for an individual to work in and to achieve levels of success they never dreamed possible. **MI&T**

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2001 Editorial Lineup

Keep a close watch on *Management Issues & Trends (MI&T)* this year as it tackles important challenges for real estate brokerages. Here's the 2001 editorial lineup:

- **Comprehensive Business Planning for Real Estate Brokerages (Issue No. 1)**
- **Developing Digital Policies and Procedures/Transaction Management Services (Issue No. 2)**
- **Developing Business Market Affiliations/Alliances for Increased Profitability and Market Share (Issue No. 3)**
- **Sales Associates: Recruiting, Retaining and Team Building (Issue No. 4)**
- **Compilation of Hot Industry Topics (Issue No. 5—Convention Issue)**
- **Marketing Strategies That Appeal to Techno-Savvy Customers (Issue No. 6)**

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