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PLUS

9 HR TIPS FOR TEAM LEADERS

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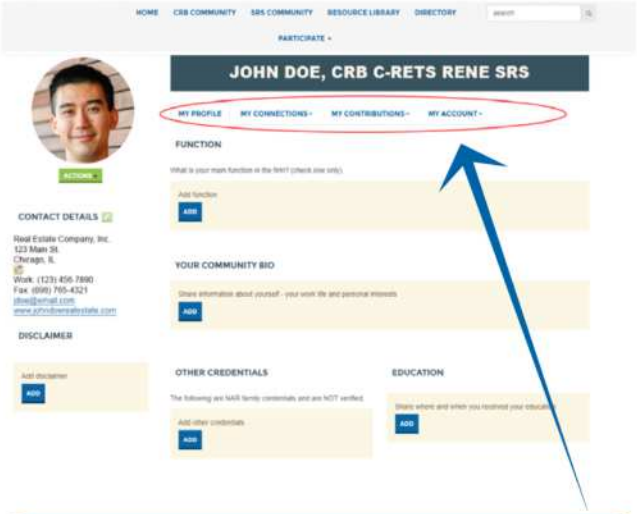

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CEO's Message

Ginny Shipe, *CAE*

Are You a Coach or Corrector?

My inspiration for this column comes from a conversation I had during dinner with a friend last month. We were reminiscing about our past jobs, best and worse bosses and people we have worked with over the years. I'm sure we all have our 'war stories' and our 'Ah ha moments' that have influenced our professional lives and the ways in which we lead and manage.

I think a very common mistake is in the timing of the coaching/guidance. The best time for a coach to reinforce is AFTER correct or exceptional performance … and the best time to coach different or better performance is right BEFORE the agent has an opportunity to do the coached skill or task correctly. Lots of managers get the timing backward.

Or, how many times have you offered coaching advice without fully understanding the issue? It is essential to invest the time to listen, ask some penetrating questions and then formulate your coaching intervention. All too often, managers think they know what the problem is before they completely understand the situation. The result is that the assumed correction is really just 'coached' in a vacuum.

Don't confuse 'coaching' with 'correcting'. Coaching needs to be integrated into your day to day activities. If you treat it as a separate 'activity', it will probably never get done. A common mistake is confusing coaching (listening) with correcting (telling). If you are really 'coaching', then you will recognize that the agent usually has the answers and you are merely providing a process to allow that self awareness to emerge.

Do you see yourself in any of these scenarios? Spend some thinking about how you act or react with your agents and if you are truly coaching … or just correcting.

Sincerely,

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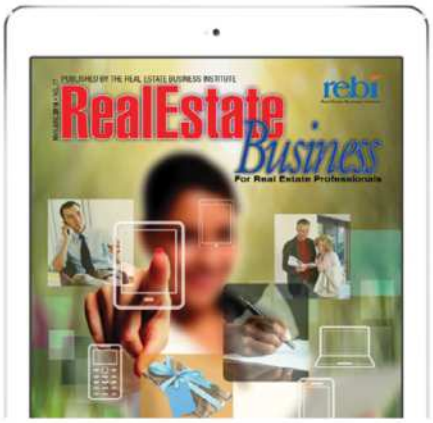

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PLAN NOW

for the day you leave your Real Estate Business behind

Brokers who wait too long to think about their exit from the business are at risk of losing money when the time comes.

Here's how to maximize the return on your life's work.

By G.M.Filisko

PLAN NOW

for the day you leave your Real Estate Business behind

He's 75 years old and owns a real estate company, and he recently realized he needed help figuring out how he can step away from this business he's built over decades.

This man turned to Lisë Stewart, who for decades has been advising family-owned businesses—including real estate brokerages—on succession planning and is principal-in-charge of the Center for Family Business Excellence in Iselin, N.J.

"He has some children in the business, but they're in their 30s and have no desire to run it," she explains. "They don't have his business acumen or his knowledge, background, and experience, and they don't have his passion. But it's also the only thing they can do. His kids rely on him and his knowledge to fund their lives and lifestyle. So does he leave the business to his kids? In his mind, he probably thinks they're going to fail.

"He also never built a team with other people who could run the business, and it feels very late to bring those people in," Stewart explains. "And he's nervous about trying to sell today; he doesn't know if it's the best market to do that.

"He's having health problems, but he doesn't have anything outside real estate," she adds. "His wife has passed, and he has no friends and no hobbies. This business is all he knows. So many people rely on him, and he has very few options. What will generally happen is he'll work until the day he dies.

"This is an extremely common scenario," contends Stewart. "Many brokers don't plan well, and their expectations aren't quite right."

LISË STEWART
principal-in-charge
Center for Family Business Excellence
Iselin, N.J.

Darren Kittleson, CRB, SRS, RENE, operating principal/broker at Keller Williams Madison in Wisconsin, agrees that it's very common for brokers to put off planning for their exit from the business. "Most brokers don't think of this, or if they think about it, they think about it not soon enough to really optimize the opportunity," he says.

"I think too often the belief is that when they're ready, there will be a buyer who'll pay top dollar for their company," asserts Kittleson, who was also the speaker at a recent webinar for the Real Estate Business Institute's CRB and SRS designees—Now Is the Time to Plan Your Exit Strategy "Since so many factors play into the value of a real estate company, that's typically a poor strategy."

Here's how to plan a better strategy.

THE EARLIER, THE BETTER

Here's what Kittleson means by an exit strategy: "It's a conscious effort to grow your business in a manner that efficiently converts ownership into person financial freedom and peace of mind," he explains. "In a perfect world, when you do exit, it accomplishes what you needed financially for what's next in your life."

When is it time to begin planning to leave this business you love? "You should begin thinking about exit planning five years or more from the date you want to exit," he advises. "It's a five-year or more planning process. Too often it's not planned, and there's a sale of the business because brokers have to sell. Health issues and all kinds of other factors force the sale."

Stewart has clients in similar circumstances. "At the moment, I probably have at least a half-dozen real estate families that we're working with," she says. "For whatever reason, among the majority of them, the primary owners are men. They tend to wait a long time and then suddenly say, 'Whoa, I should probably do something because I'm 75, and I don't have a plan.' Maybe these brokers have kids in the business, and maybe those kids have a real estate license or not. But those kids are really not ready to run the business."

That's why Kittleson says it's critical to evaluate whom the potential buyer will be when the time comes and how the sale would be structured. "You don't have to identify the actual person, but be clear about who the ideal buyer would be.

"It's common in a lot of real estate companies that succession is to a child or relative, and that's a whole different animal in terms of how you structure the purchase then," he explains. "Many brokers also believe that a large national company will just offer to buy them out. Pre-recession, that was probably more common, but I don't think we'll ever get back to where it was. The third option is to sell it to someone internally, maybe your key management team or your top agents.

"One key in all those cases is how you structure the sale in such a way that you optimize your cash out and limit the amount of income tax you have to pay," advises Kittleson. "If it's not structured properly, taxes could be as much as 70-80 percent of the sale price. I don't think the tax perspective gets talked about enough, and often that becomes the awful surprise post-sale."

Stewart also advocates an early plan. "Begin thinking about exit planning from the very beginning," she suggests. "Always start with the end in mind. Figure out what you might like to do and how you might get out of this business someday. You don't have to pull the trigger, but we want our clients to have as many options as possible. You could sell the entire enterprise. You could pass it onto your children. You could arrange a leveraged management buyout."

Darren Kittleson CRB, SRS, RENE, operating principal/broker, Keller Williams Madison, Wis.

Two steps will help ensure you have more options when you need to make a move. The first is conducting estate and business planning that helps you figure out how you could get out of business. "I have a situation at the moment with a larger real estate investment company," explains Stewart. "It's two guys who've been best friends, and now that they're in their 70s, their friendship isn't what it used to be. One wants to get out of the business, and the other wants to stay in and create more wealth for generations of their family.

"They've never had an updated buy-sell agreement," she explains. "They never had this conversation early: What if I want out and you want to stay in? What if I have family and you don't? What if your spouse wants to work in the business? And on and on. Deal with these emotional issues early on."

The second step is performing good risk management. "It's a very interesting thing that few business owners do," notes Stewart. "All they know is that they should have life insurance, and that's about as far as they go. We really encourage our business owners to do some basic risk management.

"That's making sure that if anything happens to you, somebody has your passwords; somebody understands where your financial records and estate planning documents are and what bills need to be paid," she says. "It also involves creating an updated buy-sell agreement."

KNOWING YOUR COMPANY'S VALUE

If you're hoping to sell your company at some point, you need to constantly have a good handle on its value. "This is what's unique to our industry," says Kittleson. "If I were a manufacturing company, I'd have inventory and product, purchase orders, and a track record of sales that leads to a net profit. In our industry, we don't have that.

"Our inventory is our sales associates and the production they do that leads to revenue and that ultimately leads to profit to the company," he explains. "Those are the factors we look at to determine value—the revenue against expenses, the agent count, and all that comes into play."

The most common mistakes Stewart sees brokers make surround their company's valuation. "A lot of people don't really understand what the value of their business is," she says. "I'm now working with a family in which three cousins have operated their real estate business. All are in their late 60s. One really wants out of the business, but he wants the business valued much higher than the others. He's talking about his sweat equity, saying things like, 'I think I should get paid a lot more; if we hadn't had my skills and inside connections, we wouldn't be where we are.' These three cousins grew up really close, and this is destroying their relationship."

Kittleson owns two brokerage companies, and every two years, he has them valued. "It's an investment—it costs money to do that," he says. "But it's so eye-opening every time I go through that process. It identifies ways to increase their potential value and validates how we're helping build value. And in that process, I learned the process of how a real estate company is valued, which is different than in other industries."

That process has also helped Kittleson prepare purchase offers to a handful of smaller real estate companies. "They've come back and said the price was too low," he recalls. "Then in two of the cases, the brokers returned three years later

and asked, 'Would you make me the same offer today?' Once you understand what brings value to your company, you also understand that it's a fluid number."

Too often, however, that doesn't happen. "Ego shows up and clouds your judgment in discussions with a potential buyer," explains Kittleson. "This is a business transaction.

It's tough, and I get it. As we develop these companies, it's your heart, soul, blood, sweat, and tears. But you have to work really hard to set aside your ego and not let something that's said upset you."

The best tactic in sales negotiations, he says, is asking a third party to manage the discussions. "Often one of the big values is that the third party can hear the emotion from one side and gather out of what's being said what the facts are and then take them to the other side," says Kittleson. "In doing so, they're typically creating a much higher percentage of success than if we were face to face doing negotiations."

STEPS TO STRENGTHEN YOUR COMPANY

Along the way, you should be consistently working to build your company's value. "Value is tough to quantify, but a really big piece of it is recruiting agents who will be productive and stay," says Kittleson. "When a negotiation is happening for the purchase of a company, what certainty is there that the people who create the production are going to be there post-sale?

"The cultural piece of recruiting and retention is so important," he adds. "It's not dependent solely on the broker-owner for retention. The agents have to see such value in the company, along with who's leading it, that they'll stay. That means you have to offer technology and tools to grow their business and grow themselves—those things that would be your competitive advantage over the other people down the street."

Kittleson says it also includes education and training at every level of your agents' career, and it includes a strong management team. "Who's there from a leadership or management perspective post-sale whom the agents will still find invaluable—and so they'll stay?" he asks. "Those are the three key components of building value—agents, technology, and management."

One more note: Teams are a tricky part of your business. "A strong set of teams within a company who are plugged in and using the resources your company is providing can be an added value when it comes time to value your company," says Kittleson. "Too often, if they're not plugged into your company, it's pretty easy for them to go off and jump ship—and that could be a big hit from an economic standpoint. It's a factor that's in play, but it's such a new animal that it's hard to say how teams affect value."

Perhaps the best way to strengthen your company is by planning to walk away from it. "It's so important to have conversations before the emotion hits," advises Stewart. "You should sit down every once in a while and say, 'What if?'

"'What if I decide I don't want to be in business anymore? How do I make that happen?'"

G.M. Filisko is a lawyer and freelance writer who specializes in real estate, legal, business, and personal finance topics.


9
HR TIPS
for
TEAM
LEADERS

A big challenge as you launch and build your team is ensuring that you're handling hiring properly.

Here are best practices to help you along.

By G. M. Filisko

9 HR TIPS for TEAM LEADERS

Want to know one of the biggest mistakes team leaders make when they recruit and hire team members?

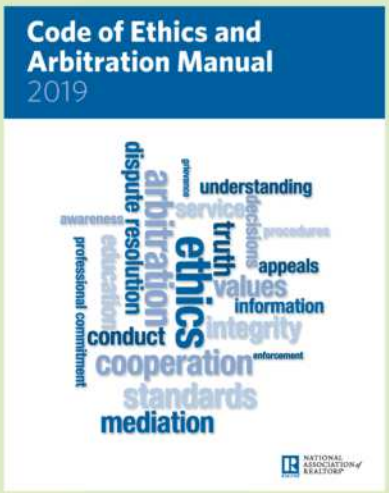
They wing it, reports Rich Hart, owner/principal at Rich Hart Global Inc. and the Evalucore Institute; Hart is an Atlanta-based coach and trainer and the instructor for a two-part C-RETS certification course: HR Solutions for Teams.

It practically goes without saying that you'll get better results if you don't fly by the seat of your pants. But what should you do instead?

Here, we offer nine best practices.

Know your state's laws, your broker's policies, and the Code of Ethics

"There are rules and regulations for every state," notes Hart. "Find out the laws in your state first. Then, if you're operating a team within a brokerage, make sure you adhere to the policies and procedures of your company broker. Don't deviate from those policies and procedures. Also keep the REALTOR® Code of Ethics top of mind, and apply it to the people you're working with."



2 Get your planning underway

"The planning is extremely important," contends Hart. "If you start putting people inside a structure without planning first, or you don't have a structure in the first place, you're not going to keep these people.

"From a team perspective, the hardest thing for agents to get out of is the mindset of acting as a sole practitioner," he adds. "Now that you're putting people under you, you need to identify your weaknesses as team leader or the hiring strengths you want to capitalize on.

"But planning is the key issue," asserts Hart. "If you don't plan, you'll appear disorganized, and it won't inspire confidence. Also, your team members will need that structure. If you design a structure and make sure things are well laid out and processes can be followed, it will be easier for you to do what you have to do without babysitting."

3 Create a policy manual

"I can't tell you how many people don't have a policies and procedures manual," laments Hart. "You should have your own team manual in addition to your broker's company manual. Otherwise, if your team members are just adhering to the brokers' policies, they'll wonder why they should be on your team."

4 Identify your hires

"Part of planning is identifying whom you want to hire," says Hart. "After considering your weaknesses or the strengths you want to capitalize on, determine the type of individual you want to bring in. What tools, skills, resources, and knowledge—over and above what you do—do you want? Do you want more leads from social networks and the internet? If so, bring in someone who knows how to achieve that."

Also think about whether you want to go vertical or horizontal in your structure. "Maybe your team needs to be doing 10 closings a month," explains Hart. "How do you want to structure those transactions? Are they all buyers? All sellers? A mix? Answering questions like that will help you determine how you want to see this team grow and develop."

Write actual job descriptions

Hart says it's perfectly OK to pluck job descriptions off the internet and then tailor them to your particular positions. "Module 2 in the HR Solutions for Teams program covers the job description, and it comes down to: Here's what I do well and what I don't do well. For the team to be successful going forward, these are the things I need to map in on,'" he explains.

"Then you need to detail what you want each person to do," adds Hart. "Every position needs a job description. Whether it's a listing or marketing coordinator, or maybe you have a buyer's agent coordinator or a lead coordinator. All those positions need a job description so that everybody knows their particular place.

"If you don't have job descriptions, you'll get a lot of cross-cultural conflict and 'That's not my job,'" he warns. "Without defined responsibilities, you're making it harder for your team to become cohesive."

> *"In your plan, be sure to put in a development stage covering how each person will grow. If you're developing your team members, they're more likely to stay. Without a transitional plan, when people get to a certain point, they'll get bored."*
>
> —Rich Hart, owner/principal
> Rich Hart Global Inc. & Evalucore Institute

Don't hire your mini-me

"Team leaders make common mistakes, and one is hiring people exactly like themselves in terms of their best skills," says Hart. "If team leaders are good at listing, they'll hire people to mirror what they're capable of doing or what they do well. The strongest leaders hire individuals who compliment their weaknesses."

Provide the necessary training

Set aside any worry that training gives team members the skills to move on. "The biggest dilemma I hear time and time again is team leaders saying, 'If I train these people, what's going to keep them here?'" explains Hart. "That's the biggest fear: If I give them all this training, they'll take the information and leave.

"In your plan, be sure to put in a development stage covering how each person will grow," he suggests. "If you're developing your team members, they're more likely to stay. Without a transitional plan, when people get to a certain point, they'll get bored. Include a level of creativity in your plan that will bring your team members to the next point or they'll get stagnated. There will be no reason to stay because they're not continually being energized with the team's goals and objectives."

Think hard about whether to require our team members sign noncompete agreements

Hart doesn't think they're the best way to get your team members to stick with you.

"The thing about a noncompete agreement is that I'm not a superfan of it," he says. "If you're really engaged and like what you're doing, you'll stay. If you're not the right person for the job, it's a bad idea for a team leader to hold onto that person with a boat anchor.

"People don't want to be brow beaten," asserts Hart. "If they're going to be on a team, they want to know it's going to be a team. You show them that with a good structure and byformulating a plan that's going to work for everybody."

What works better than noncompete agreements is hiring the right person for the job. "Don't hire a million-dollar agent to do menial tasks," advises Hart. "Hire to the job description and to the personality that's going to grow in that position. That will give you everything you need and some plus in contributing to the team."

Another thing that works is sincere recognition for a job well done. "This is so common: Employees are working for a company and put in all this work, but the company doesn't recognize the employees for their efforts," explains Hart. "Of course, those employees were hired to do a job for a particular salary, and they're doing it. That's good.

"But your employees' world doesn't revolve around you," notes Hart. "It revolves around their family, their friends, and their life. So when someone says, 'I like what you did here' and you acknowledge your team members' accomplishments, you're creating an atmosphere for people to live and grow in."

Get some help with all these steps

"You don't have to recreate the wheel," states Hart. "A lot of these tools are out there. For instance, if I'm talking about business planning, I always hear, 'How do I do it?'

There are two simple ways: You can get a software program such as Business Plan Pro, http://www.businessplanpro.com/. You put everything in that program, but most people never look at it again.

"Or you can do it in the simplest form," he explains. "It's like the famous children's story *Harold and the Purple Crayon* in which Harold creates his own world. You can do something similar.

"Think about what you'll do today," he advises. "What can you write down today, or what do you want to change tomorrow that you can write down today? And what can you change that's measurable?

"It seems like this big hurdle is that you have to write this giant plan," says Hart. "I say no, just put down one or two things each day, and make sure they get done. We can all go into planning mode buying software programs. But you can also start with one thing you'd like to get done and go from there.

"I also recommend that team leaders start to work with mentors because mentors will help make them accountable," says Hart. "You not only need to plan, but you also need to be able to measure your results. You want to be able to know the outcome."

This all sounds so overwhelming! Maybe being a team leader isn't right for you? Hart says that may be the case for some agents. "Is being a team leader right for everybody?" he asks. "Absolutely not. But real estate isn't right for everybody, either.

"What's most important for team leaders is doing the necessary planning," he states. "The main reason people don't do as well as they should in the real estate industry is that they fail to plan."

G.M. Filisko is a lawyer and freelance writer who specializes in real estate, legal, business, and personal finance topics.

Cameras Invade Listings: What's an Agent to Do?

Whether you're the listing or showing agent, here's what to know and tell about cameras in listings.

What would you do if what happened to Jules Borbely happened to you?

You see, last year, Borbely, the chief operating officer at Oxford Property Group, listed a $2 million condo in lower Manhattan. He noticed the Nest cameras in the corners of the rooms but didn't pay much attention to them since he sees them very often in apartments. It's part of life when you live in New York City—there are cameras everywhere—he says.

However, one day when he was showing the unit, the buyers asked who managed the property. Borbely blanked on the company's name and told the buyers he'd find out and get back to them. Then, as the buyers were walking toward a bedroom, Borbely felt his phone vibrate.

It was the owner texting Borbely the name of the management company.

That's how Borbely learned his client was watching and listening in on him and the buyers during every showing.

Today, perhaps you should assume every seller has cameras in their home, even if you can't see the devices. Does that mean you have to tell buyers touring the property that information?

"We don't have any specific advice, as there are a lot of different approaches," says Finley P. Maxson, senior counsel of Legal Affairs at the National Association of REALTORS® in Chicago. "Addendums are being added to form contracts warning both buyers and sellers about the possibility of recording—buyers make recordings also, with their cellphones.

"MLSs are creating requirements where listing brokers are being asked to identify recording devices on the property, and property condition disclosure statements may also ask for this information," adds Maxson. "Some state laws also require sellers to place notices on the property about surveillance devices. But in some ways, simply telling the buyer to not say anything while on the property isn't bad advice, as even if the recording was illegal it is doubtful anyone would pursue litigation."

So your first step should be to check your own state's law. Beyond that, what are agents across the country doing when it comes to cameras in homes they've listed or are showing? Here are insights from some of them.

Lighten the disclosure

"I work in the luxury market, and in Houston, camera systems are in 90 percent of the homes I list and show to potential buyers. Elaborate automation and security systems are expected in these homes. At the beginning of each showing, I usually mention the cameras in a light, playful way. I'll say, 'Look, we're on Candid Camera!'

Most of the systems in my listings are owned but willingly conveyed with the sale of the property. Most sellers feel like moving their cameras and equipment is too much of a hassle."
—*Marnie Greenwood, agent, Compass, Houston*

A subtle warning

"Cameras are becoming more and more of the norm with sellers. I've personally had a few sellers watch the home feed live when the showing is happening. I always like to let buyers coming through my listing know the home has cameras. I don't go into too much detail on whether the seller is watching or not, but I do like to give a subtle warning about the cameras.

If the sellers are listening, they can hear me doing my job, selling the property, and highlighting the most important features. I'm not just opening the door for buyers and telling them to walk through on their own. I'm there selling buyers on the property.

I did have a conversation with particular sellers about not watching or listening during showings. It wasn't a pleasant conversation. I told them the buyers were going to say whatever was on their mind and that the sellers might not want to hear what the buyers said. This was one of those sellers I knew would be offended by anything said, so I tried to head this off before buyers said something the sellers would take personally. It didn't matter, though. The seller still listened and watched.

I had to have a few follow-up conversations after, when one of the buyers who criticized something in the property made an offer. The sellers immediately referenced the buyer's comments, and I had to explain that those comments were nothing personal, that this is just a business transaction."—*Mike Opyd, e-Pro®, managing broker-owner, RE/Max Next, Chicago*

Turning the tables

"If I'm in a home by myself, it's hard to watch all the rooms when I get busy. So I use a little camera system in some houses depending on the valuables at risk during open houses. It's just little camera set-up, and I try to hide it. It goes to an app on my phone. But I do let people walking through know that there are cameras in the house because, legally, I have to do that."
—*Blayne Pacelli, agent, Rodeo Realty, Studio City, Calif.*

Why create distrust?

"Cameras, voice-activated systems like Amazon's Alexa, and all other video and artificial intelligence are having an interesting effect on clients.

From the single-family home perspective, many agents actually use it to their advantage; they show homeowners exactly how many people they got through the door for showings, open houses, and so on.

I've told my sellers that they've hired me to do a job, so I certainly expect them not to watch during an actual showing and to potentially look back only later to see the showing in macro terms versus actually watching the showing itself. I also think it would create distrust with potential buyers if they knew they were being watched, so that's certainly not something I recommend sellers do.

As a general rule, high-end camera systems tend to be custom based on the angles and sizes of the

rooms, so agents can leverage the system with a potential buyer by offering to sweeten the deal and allow the buyers to keep the camera and security systems."—*Moshe Goykhman, managing broker, The Impact Group Real Estate Brokerage, Chicago*

Proper protocol includes a warning

"Camera systems are very common within and outside owners' homes in my area and even in commercial properties as of late.

Cameras don't affect my practices in any way. I still show a property the same way I would if the camera weren't there. I think of the camera as an added safety bonus for everyone involved. I do warn buyers and tenants, though, if I'm aware that there are recording devices in the home. Most buyers recognize the Ring or Nest doorbell systems these days, but it's proper protocol to let people entering a property know there are cameras or audio recording devices in place.

Some owners include the camera system in the sale, and others remove it before moving. It all depends on whether the buyers request that it remains on the property. If the buyer doesn't make that request, I think it's a fair assumption that the camera systems will be removed."—*Jennifer Okhovat, agent, Compass, Los Angeles*

Assume you're being recorded

"The issue of camera systems has been a major topic in many meetings in my area. Due to the existence of these systems,

many of which aren't disclosed by the sellers, it's necessary to properly advise clients prior to any showing.

I don't want my clients to say anything in the property that could be recorded and affect their bargaining power should they decide to make an offer. We have to assume we're being recorded and act accordingly. Any conversation can then take place outside the home and in a place where we know the sellers won't hear us.

As far as a home perk or the sellers taking the system, it's really addressed on a case-by-case basis. But I haven't seen it have any significant impact on the value of a given property."
—Michael Lepson, agent,
Carolina One Real Estate, Charleston, S.C.

Don't assume it's obvious

"Many owners today have various types of camera systems, and they're not always obvious to casual viewers. When showing properties, I generally suggest buyers act and speak as if they're being videoed. You can never know if sellers are watching or listening.

At the least, it could give away how and what buyers are thinking and feeling. At the worst, it could set a negative tone in sellers' mind about those buyers.

Usually, these camera setups are relatively inexpensive, and sellers take them out along with other property. The ones generally included in the sale are those mounted in a few or several places around the exterior and interior."*—Michael Edlen, leader,*
The Edlen Team, Coldwell Banker,
Pacific Palisades, Calif.

Save feedback for later

"While we're not obligated by the state to warn buyers when there are cameras installed, we always tell our clients to proceed with caution. We want them to be careful with how honest their feedback is when assessing the home; whether it's too positive or too negative could affect the sale.

We've found our clients to be extremely appreciative of this warning, particularly when we point out areas of the home—such as the front porch where a lot of people now have security systems installed inside their doorbell, for example—that they thought were camera-free.

We typically ask clients to discuss the home in the office with us so we can keep everything confidential while we negotiate.

While standard, high-security systems are perks, those that involve cameras tend to make buyers uncomfortable. More often than not, sellers decide to take the systems that include cameras with them since they've become more integrated. A camera can now link up with not just the security system but also thermostats and lights, among numerous other features, giving homeowners the opportunity to control the gadget from anywhere. I think that's the main reason we're not seeing security systems frequently left behind anymore."
—Smitha Ramchandani, broker-associate,
Prominent Properties
Sotheby's International Realty,
SR Real Estate Group, Summit, N.J.

Update: How One Broker's New Recruiting Tactic Has Worked

A stroke of genius—hiring a HR pro to help with recruiting—revealed a need to improve other company processes.

About six months ago—in our September/October issue—we reported on a test being conducted by your colleague, Bruce Ailion, ABR®, CRS®, CRB℠, e-PRO®, the broker at RE/MAX Town and Country in Atlanta, who's also a lawyer.

He'd been successfully using online systems to advertise for recruits. In fact, his efforts were so successful that he was overwhelmed with the job of responding quickly to qualified recruiting leads, vetting the people who responded, and checking out their background.

Like any successful broker, Ailion got crafty with a solution. Did it work? Read on to find out.

And the solution was…

To fix the happy problem Ailion had, he hired a local recruiter with 35 years of human resources experience to do the work Ailion just wasn't staying on top of. Ailion paid the HR pro $45 per hour to review responses to the company's recruiting ads, vet potential candidates, categorize them, get DISC profiles, and then set appointments for Ailion with qualified recruiting prospects.

Ailion wasn't doing this to save money. He was doing it because he knew it was an important job, but it was one that he just never got to on a timely basis.

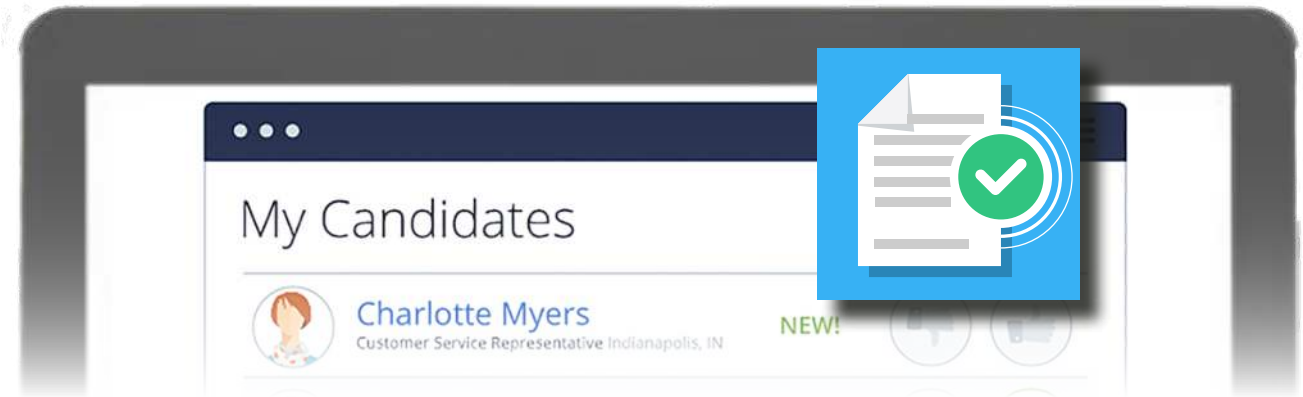
"It's worked out," he reports. "We did that for several months, and it turned up a number of applicants. We interviewed a bunch and hired three."

Ailion reports that his company paid the HR pro about $6,000 total, so about $2,000 per hire. "I'd say we probably interviewed eight to nine people for each person we hired," he states. "Some we would have hired, but they elected to do something else; they elected to stay at the company they were with or to go to a different company rather than ours.

"We didn't really get good feedback as to why they made those decisions," adds Ailion. "Some said they liked another broker better; for some, the split was better. Some told us it was none of our business why they made their decision."

Was the cost worth the hires? "It's a little bit like learning to play the piano—if it works, does it matter how much you pay?" asks Ailion. "Certainly, we're going to get a positive return on investment. When you think about hires typically staying with a brokerage company five years, if they close two transactions a month and you consider the company split, that's a positive economic return."

There was also value in the peace of mind that comes from just getting things done that nobody had been able to get to in the past.



"In terms of the funnel we created for those leads to go through, probably two-thirds of those people were those who just needed to be weeded out as not qualified," he explains. "If I'm doing that or my wife or son is doing that, we're spending about $250-$300 an hour to get it done—and we don't even have the time to get to it. So farming that out is positive for us, and getting it done is positive for us."

There's a glitch

The funny thing is that this success has highlighted for Ailion that he had a different weakness in his systems and processes. "After hiring three new agents, we came to the conclusion that we need more systems in place if we're bringing in qualified, but less experienced, agents," he says. "We need that for people who have a background in sales and understand the process of making phone calls and meeting people, but they're not as familiar with real estate transactions and the ups and downs and issues of dealing with other agents."

For that reason, Ailion has put on hold his work with the HR pro. In the meantime, he's shifting his business model from purchasing internet leads to one in which he's revamping his website to make it more of a lead-generation platform.

"We're making that change because we're hoping to get consumers early in their search cycle," he explains. "Even if we called people back in five seconds when we got internet leads that we'd purchased, those people had already been contacted by 15 agents.

"Online leads are being sold to so many people, and that's too frustrating for newer agents to call people who've already been contacted," he states. "And we were paying $50 a prospect."

An end-of-summer relaunch

Ailion is currently working with a contactor to update his firm's website, and the benefit is that Ailion will be able to tweak his efforts as needed. "We'll be able to dial up the number of leads we receive and dial it down," he says. "When the new website is ready, we'll turn up the hiring again."

The website should be ready for testing by April, and Ailion and his team plan to test to work out kinks through about June. If all works as planned, he'll begin working with the HR pro again by the end of the summer. He thinks that timing will work well with agents' needs, too.

"One impediment for agents switching companies is their pending transactions," he explains. "When I talk to agents, they often say they'll be more likely to move after they close certain transactions. The end of the summer should be a great time to be speaking with them."

John D. Mayfield
CRB[sm], e-PRO®, GRI[sm]

Becoming a Better Listener

Category: Professional Development

Materials Needed: Handouts included with meeting materials, flip chart

Estimated Time: 15-20 minutes

Meeting Objective: To help agents understand the need to be good listeners and how to apply good listening techniques in their daily lives.

INTRODUCTION TO TODAY'S MEETING

Review the following statistics with your group. According to the International Listening Association:

- Most of us are distracted, preoccupied, or forgetful about 75 percent of the time we should be listening.
- We listen at 125-250 words per minute but think at 1,000-3,000 words per minute.
- Immediately after we listen to someone, we recall only about 50 percent of what the person said.
- Long term, we remember only 20 percent of what we hear.

More than 35 business studies indicate that listening is a top skill needed for success in business.

STEP 1

Ask: Is listening hard for anyone in the group? Allow for comments.

STEP 2

Provide Handout 1-A, the Listening Quiz, and allow approximately five minutes for your group to complete it.

Answer the following either true or false: According to a study on listening by Larry Barker and Kittie Watson, *"Listen Up: How to Improve Relationships, Reduce Stress, and Be More Productive by Using the Power of Listening,"* St. Martin's Press (2000), which of the following would you consider true or false?

1. _____ Interrupting the speaker is a sign of poor listening.
2. _____ Not looking at the speaker is a poor listening quality.
3. _____ Any time you rush speakers and make them feel they're wasting your time would be an example of poor listening.
4. _____ Showing interest in something other than the conversation is a poor listening trait.
5. _____ Getting ahead of speakers and finishing their thoughts indicates that you're a poor listener.

6. _____ Not responding to the speaker's requests is being a bad listener.

7. _____ Saying, "Yes, but…" as if you've made up your mind is a poor listening trait.

8. _____ Topping the speaker's story with, "That reminds me…" or "That's nothing! Let me tell you about…" are examples of being a bad listener.

9. _____ If you forget what was talked about previously, it's normally a sign of being a poor listener.

10. _____ Asking too many questions about details is typical of a poor listener.

STEP 3

Review the quiz provided in Step 2 and discuss some of these traits with your team members. All answers in the quiz are true.

STEP 4

Provide Handout 2-A to your group as a note-taking guide. According to an article by Guy Harris, www.PrincipalDriven.com, there are five ways to become a better listener:

1. Listen to understand, not to respond.
Harris says most people view speaking and listening as a tennis match, with both parties trying to score or win, when, in effect, listening should be more like pitching and catching. When someone speaks—or pitches—you should concentrate on listening—or catching—the ball that's thrown to you. Throw the ball back only after you've successfully grasped what the speaker has said to you.

2. Be quiet.
Two good tips to remember here:

- When your mouth is open, your ears are shut.
- "Listen" and "silent" have the same letters in them.

3. Let people finish their thoughts.
In other words, don't interrupt the speaker!

4. Maintain eye contact.
Body language and facial expressions have more to do with communication than the actual words spoken. Avoid doing such other things as checking email or reading notes while someone is speaking to you.

5. Ask questions to ensure that you understand.
If you're ever uncertain as to what was being asked or said, ask the speaker to clarify. This also shows you were listening and that you're concerned about getting it right. Some good examples are:

- I hear you say…Is that correct?
- Let me make sure I understand you correctly
- Just to be sure I understand you, let me repeat back to you what I thought you said…

CLOSING

Have your team members write down two to three things they plan to implement into their daily lives to become better listeners after attending today's sales meeting. Ask volunteers to share the improvements they'll implement.

Encourage your group to practice good listening skills daily. Remind them that good listening will pay big dividends in the future with their clients and customers.

Listening is a trait that many people fall short at, so developing good listening skills is a positive way to help you shine and outperform the competition.

> *You can make more friends in two months by becoming more interested in other people than you can in two years by trying to get people interested in you.*
>
> —Dale Carnegie,
> American lecturer and author

John Mayfield, CRB℠, e-PRO®, GRI℠, received his real estate license in 1978 and has been a practicing broker since 1981. He is a senior GRI℠ instructor for the Missouri Association of REALTORS® and the Arkansas Association of REALTORS® and is a master instructor for the Real Estate Business Institute (REBI). John has been a featured speaker at the National Association of REALTORS® conventions, authored seven books, and created the "5-Minutes Series for Real Estate Agents." For more information, contact www.easysalesmeetings.com.

Handout 1-A
Listening Quiz

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Handout 2-A

5 Ways to Become a Better Listener

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