THE BUSINESS JOURNAL FOR REALTOR® ASSOCIATION EXECUTIVES

FALL 2014

REALTOR® AE

REALTOR.ORG/RAE

What do your broker members need most?

Find out, and give it to them.

Page 10

NAR's New Broker-Focused Initiatives

Page 5

Benefits of Broker Summits

Page 14

NATIONAL ASSOCIATION of REALTORS®

fall 2014

2014 Michigan Broker Summit Task Force Chair, E'toile L. Libbett seated next to Lawrence Yun, NAR senior vice president and chief economist, at the 2014 Michigan Brokers Summit.

No Association Left Behind

Andrea Bushnell, RCE, EVP, North Carolina Assocation of REALTORS®, 2014 chair of the AE committee

Another year is almost over, and what a year it has been. Last month, I went to hear Charlie Cook Jr. of "The Cook Political Report" address a group of college students at Elon University, currently home to my two sons. After Mr. Cook's very enlightening and entertaining presentation on the 2014 election and early prognostications on the 2016 election, he made a few personal comments to the students. He specifically told the kids that they were among the lucky few attending a private university whose star is decidedly rising in every way. It is a university that is globally improving and, as a result, is gaining by leaps and bounds in both recognition and reputation. He further advised the students that they want to be at a university that is so devoted to improvement that by the time they graduate, they would no longer be eligible to get into the school with the grades and SAT scores that were sufficient when they entered. Once again, the importance of always striving to be better was brought home to me. We cannot afford to be, and will not be, left behind.

I want to stress that in the end, I hope that the role I played this year as AEC chair has been effective and helpful to the REALTOR® association community. But my part has been small. I could not have accomplished anything this year without the immense dedication of the leadership of NAR. President Steve Brown is one of the most thoughtful, dedicated, admired, and brave leaders NAR has ever had. I will be forever thankful to Steve for appointing me to chair the PAG that led to the Core Standards. Steve's Leadership Team and Executive Committee are made up of truly extraordinary leaders—leaders who are unafraid to look the future in the eyes and act on what they see. To each and every one, thank you. And to Dale Stinton—you provide leadership, guidance, and courage to this association, its volunteers, and its AEs. I have learned so much from you and appreciate you beyond measure.

Doug Hinderer, Cindy Sampalis, Cynthia Bair, Laurie Oken, Renee Holland, Krystal Allen, Courtney Wilson, Debra Jordan, Dolores Plambeck, Denise Marx, and Cliff Niersbach—there are not words sufficient to express my gratitude for making my year so easy and increasing my competency. You are the true heroes of the AE world and I will forever tell everyone how amazing you are in every way. We should all strive to be as good as you are individually and as a team. I have met, worked with, and come to admire too many NAR staff members to mention, but thank you all for the work you do on behalf of our collective members and the AE community.

Mark Allen, Jarrod Grasso, Cindy Butts, Travis Kessler, Gavin Blair, Christine Todd, and Marc Lebowitz—what a blast we had this year. You are the best AEs and friends a girl could ever hope to work with. You were the heart and soul behind the Core Standards; thank you for letting me be the face. Jarrod, I have your back next year.

Finally, the biggest thanks go to the leadership and staff of the North Carolina Association of REALTORS® who allowed me to serve as AE chairperson in a year of great change. Without their support and professionalism, I could not have served in this capacity. Tomp, Tony, Patrice, and Treasure: You are the best Leadership Team ever, anywhere. Bryan, Cady, Blair, Ellie, Mike B., Mandy, Robert, Kristin, Mike L., Adair, Caroline, Denise, Donna, Kay, Keri, Mckenzie, Monica, Nicole, Phyllis, Robin, Sam, Sherry, Tyler, and Will, you are the best staff of any association in the country and I am so proud of you. Thank you for allowing me to work each day with you.

I have been humbled by this experience. Thank you all for the honor of allowing me to serve as the chair of the 2014 AE Committee.

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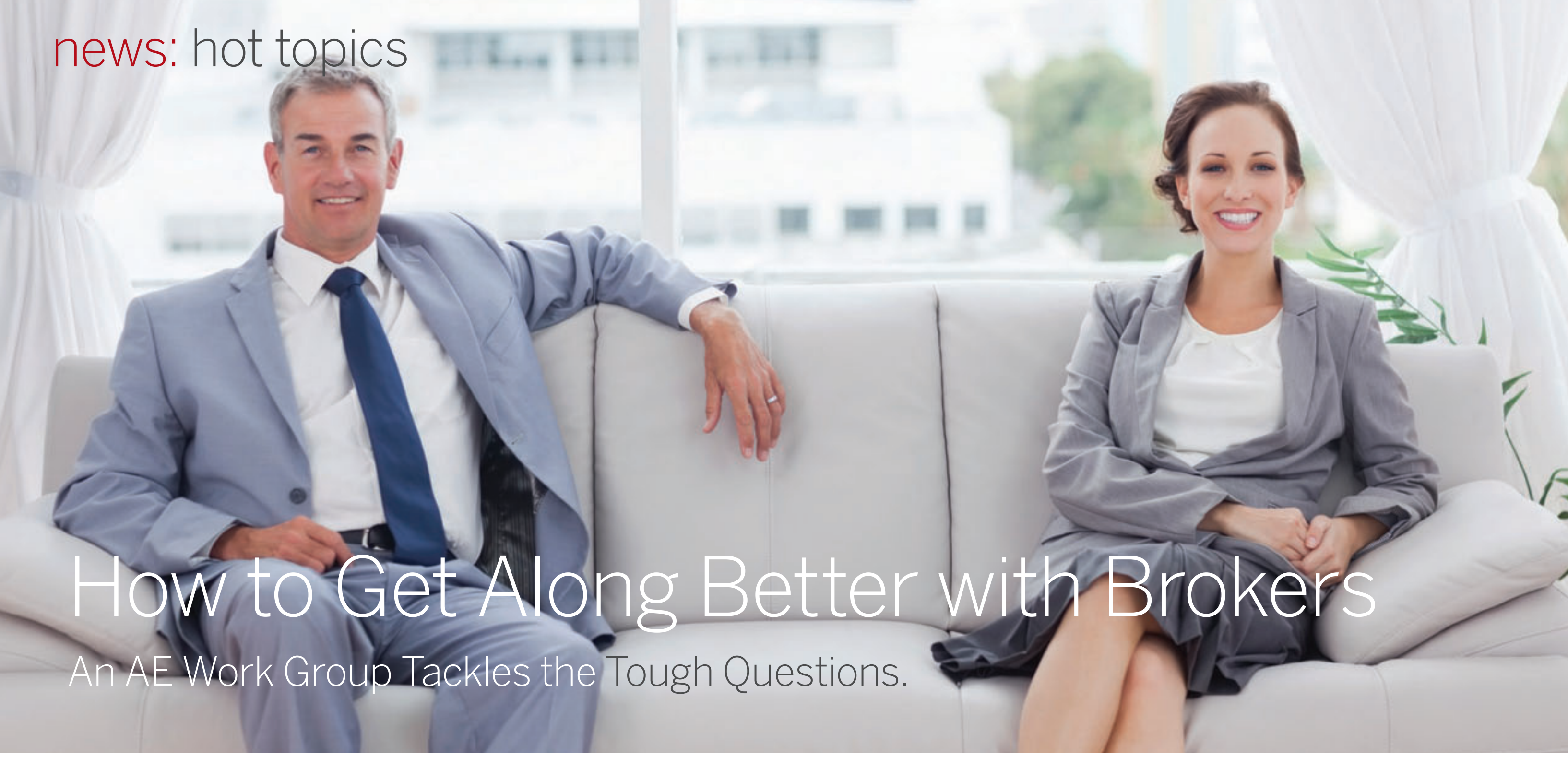
EQUAL HOUSING OPPORTUNITY



How to Get Along Better with Brokers

An AE Work Group Tackles the Tough Questions.

Every year, the National Association of REALTORS®' AE Committee assigns work groups to come up with solutions to tough issues, such as how to boost member professionalism or how to recruit and maintain commercial members. In 2013, there was consensus that AEs needed more tools to help them build better relationships with their broker members.

A work group of 19 AEs representing large and small associations from across the country set out in January to find best practices to six key challenges ranging from initiating the first broker meeting to encouraging broker involvement in the REALTOR® Party.

Tips, suggestions, experiences, and best practices came flowing in from AEs nationwide in response to the work group's call for feedback. The accumulated knowledge is being developed into an online resource for building stronger relationships between AEs and large brokers that will include tips, suggestions, and sample materials.

A session at the 2015 AE Institute on developing and maintaining healthy relationships between associations and their large brokers is also in the works.

Look for the online resource kit later this year, but extracted here are some key tips from the work group's collection of anonymous AE feedback.

Q: How can I overcome fears and confidently approach my first meeting with large brokers to establish a productive and harmonious relationship?

A: "For the actual meetings with the large brokers, I wanted to make sure that I got them talking, so I came prepared with a few leading questions and made sure they knew I wanted to understand what made their company unique so that we could best serve them. Most of them were willing to share their thoughts and ideas. For the couple who were less willing, I was able to refer to a handful of talking points about what the association and/or MLS was doing to keep the conversation going. By the end of the meeting, every one of them had given me a great deal of insight into their issues, concerns and thoughts."

Q: How can I deliver meaningful education that large brokers and their agents need and want?

A: "Our state president this year implemented three broker forum meetings throughout the state. The purpose was to ask the brokers what we are doing right for them and what they would like from us and to answer any questions they might have. The programs were well-received and the brokers appreciated being asked their opinions."

Q: How can I encourage large brokers and their agents to get involved in the association's committees and events and to assume a leadership role?

A: "Ask. This is by far the most effective and most assured way to get a large-firm broker involved. Every member of our group cited this as their No. 1 method to obtain a 'yes' from the large broker."

"If the large broker cannot or will not serve, ask them to appoint someone from their firm."

Q:. How can I encourage large-broker involvement in RPAC fundraising and legislative issues and integrate this political advocacy focus into the broker's culture?

A: "Talk about issues they can relate to: sales tax on commissions, sign ordinances, and restrictive building and zoning issues."

"Personally reach out to the large brokers and sign them up (with their permission) for the Broker Involvement Program. This will dramatically increase your participation in calls for action."

Q: How can I influence large brokers to use statistical information (such as Realtors Property Resource® data) in a meaningful way?

A: "Our association adopted RPR early. We invite RPR to present and hold classes often. They are regarded as a resource for the brokers. Many of the brokers have invited RPR trainers into their offices to conduct private classes for their agents. Regarding statistical information, we produce a monthly report for the members to use in their marketing. We provide a fill-in-the-blank news release and an infographic that can be branded by the broker/agent. Another sample of products provided is Terradatum. By becoming the resource, the brokers support the efforts made by the association."

Q: How can brokers help bridge the communication gap between their agents and my association?

A: "I find the best way to communicate with agents from large firms is to speak to them directly at their sales meetings. I am always on the road with my 45-minute 'Economic Update' PowerPoint presentation. The sales managers love it because I customize the data for their market and the agents like it because I am not 'selling anything.' I find it very effective because I always end the presentation with five minutes on all of the great things the REALTOR® family offers. It is time consuming, but with large offices it works very well."

NAR Launches New Broker Resources

REALTOR® Magazine to Boost Broker Content

Based in part on REALTOR® Magazine's Young Professionals Network program, the magazine is rolling out a new Broker-to-Broker initiative at its website—articles and resources aimed directly at brokerage owners and managers.

In addition to a timely content stream—which state and local associations may reprint or post on their social media channels—Broker to Broker will offer timeless ideas for sales meetings and profiles of successful brokers. Eventually, the program will become a new communications and networking channel for brokers, says content manager Erica Christoffer. For a sneak peek at Broker to Broker, visit realtormag.realtor.org/for-brokers/network.

Broker Idea Counsel Forum

Invite your broker members to attend NAR's second Idea Exchange Council for Brokers taking place Nov. 7 during the REALTORS® Conference & Expo in New Orleans. This new think-tank meeting for brokers debuted at the May REALTOR® Party Conference & Expo. The forum is designed to facilitate broad-based sharing of ideas by brokers of all company sizes on the many universal real estate issues and management challenges that they face on a daily basis.

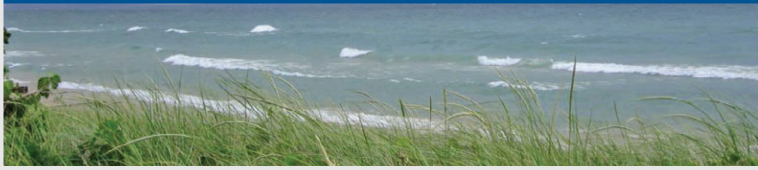
Successful Programs

Consumer Outreach: Enhancing the REALTOR® image.

Honoring our Veterans, Florida Style

The **Emerald Coast Association of REALTORS®**, Fla., along with other area organizations, sponsored a day of fishing for 65 wounded warriors as part of the Second Annual Soldiers on the Water, an event designed to be a token of gratitude for their service and sacrifice.

Consumer Outreach: Community Investment



Environmental Commitment

Dale Zahn, CEO of the **West Michigan Lakeshore Association of REALTORS®**, traveled to Las Vegas in July to co-present at the World Congress of the International Federation of Environmental Health, attended by a large audience of health department officials from across the country. The topic: the REALTOR® association's ongoing partnership with local government to encourage environmentally sound wastewater practices among homeowners.

Consumer Outreach: Community Investment

REALTOR® Volunteers Build All-Abilities Playground

In July, about a dozen members of the **Missoula County Association of REALTORS®** volunteered for three-hour shifts to help assemble a playground intended for children of all abilities. It's the first playground of its kind in Montana. The Missoula REALTORS® donated $5,000 to the playground project, $2,000 of which came from an NAR Placemaking Grant.


Members of the Birmingham Association of REALTORS® at its annual awards luncheon in August.

Changing Minds About RPAC

Helping members understand what the REALTORS® Political Action Committee really is and what it does for them is an ongoing challenge. The Birmingham Association of REALTORS® employed the member-to-member approach, inviting Florida broker and 2014 NAR RPAC Fundraising Liaison Summer Greene to speak at the association's annual membership awards luncheon in August.

"What Summer brought to our members is first-hand experience seeing the power of political action in the REALTOR® community," says Chip Watts, 2014 president of the Birmingham association. "We wanted our members to see that the money going into RPAC comes out and works directly for them, their industry, and ultimately the clients they serve. So much is going on behind the scenes that our members need to know their voice is being heard."

Greene's presentation encouraged several former major RPAC investors to recommit themselves to donating support, BAR CEO Cliff Long says. Several Birmingham YPN members were also inspired to become involved.

"REALTORS® have a much bigger impact when they have an association of more than 1 million members speaking for them, rather than the voice of an individual," Greene says. "RPAC's defining role is to be that voice, the unifying voice, representing our issues, our needs, our profession to the people with the power—the people that made the rules."

Successful Programs

RPAC Phone Bank Raises $5K

Instead of hosting a hotel-ballroom RPAC luncheon or an RPAC bowling night, the **Ada County Association of REALTORS®**, Idaho, took a more direct approach to fundraising: calling and asking. The association's RPAC committee took to the phones one afternoon to reach out first to top producers and those who had given only at the fair share goal, then to other members. The group raised $5,000 within hours. The RPAC committee called members using the Aristotle RPAC Tracking Software and a script developed by the state's GAD, Miguel Legarreta. Aristotle simplifies the compliance reporting process and automatically transfers the 30 percent fair share to NAR.

Consumer Outreach: Community Investment

REALTORS® Launch Green Housing Project

The **St. Louis Association of REALTORS®**, Mo., used a $15,000 Smart Growth Action Grant to launch its Energy Efficient Housing Contest. The 2013 competition garnered the support of the city and county governments and nonprofit organizations and received co-sponsorships from industry partners. Winners of the contest received cash and a plot of land or a vacant structure. The 2014 contest is already underway. The St. Louis association has created a template documenting its process to help other associations interested in launching sustainable design contests of their own. Contact Dawn Kennedy at dkennedy@stlrealtors.com.

Victory Over Property Registry

The **Oklahoma Association of REALTORS®** successfully campaigned to persuade the Oklahoma House of Representatives to pass legislation eliminating a new fee-based property registry in Oklahoma City, which would subject certain vacant properties to registration requirements, fees, and municipal inspections. OAR used NAR's polling services, along with a $95,000 Issues Mobilization Grant, to put together an aggressive campaign to promote the Protect Property Rights Act, which was signed into law in May.

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Brokers Boost Calls for Action

Members more likely to answer calls for action from their broker than from their association.

When it comes to political advocacy and action, brokers have significant sway over their salespeople. In fact, 40 percent of responses to NAR's federal calls for action come through the Broker Involvement Program, an initiative designed to engage brokers and their agents more significantly in national political action.

"The initiative provides brokers with a quick and effective way to rally their agents on critical legislative issues affecting the real estate industry," say program manager Erin Murphy.

For example, through the Broker Involvement Program, NAR in 2012 led the charge to extend mortgage cancellation relief for one year.

Based on the results of the federal calls for action, many states asked NAR to leverage these tools for action on state issues as well. The State Broker Call for Action program rolled out last year and so far, five states have used this program for local issues. On average, the response rates were five times higher than when a member received the call for action from the state association.

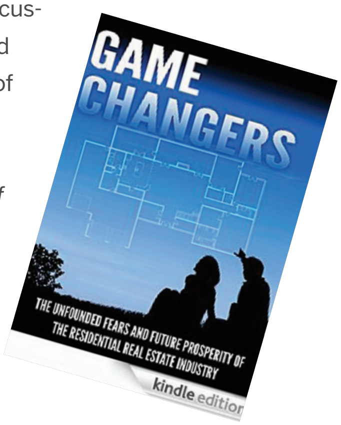
The Broker Involvement Program enables NAR's REALTOR® mobilization staff to facilitate sending out calls for action to brokers' salespeople that are approved by and branded with the brokerage's logo. Member data is provided to NAR by the local association and the broker has access to an online portal to see which of his or her agents have responded.

There are currently 16,500 brokers encompassing nearly 150,000 agents in the program.

To answer questions and encourage your broker member involvement in the program, John Flor, a broker and the 2014 REALTOR® Party Member Involvement Liaison, is available to speak at your next event. Already, Flor has traveled to seven states this year to speak to brokers about the program and NAR's legislative activities.

To request him at your event, fill out the online request form at realtoractioncenter.com/realtor-party/liaisons/realtor-party-liaisons.html. For more information on the Broker Involvement Program, contact Victoria Givens, manager of REALTOR® Mobilization Programs, at vgivens@realtors.org or 202-383-1021.

Board of Directors Book Club



To better engage her board of directors in discussions about the future of the association—and real estate in general—Dallas Hancock, CEO of the Peoria Area Association of REALTORS®, gave each director a copy of *Game Changers, The Unfounded Fears and Future Prosperity of the Residential Real Estate Industry* by Steve Murray, Lorne Wallace, and Lon Welsh in partnership with REAL Trends.

"I saw this as a great educational tool because it was thought-provoking," says Hancock. "How can board members lead the association if they themselves do not understand the changing world around them? This spurs that dialogue, and hopefully they carry some of that back to their offices." Hancock opens each monthly board meeting with a discussion of one chapter.

"I think it gives directors another level of value of serving on the board because they are learning something that will help in their own businesses," Hancock says. "I feel very strongly that they should take away something of value from volunteering their time; they should get as much as we get from them."

Other books Hancock's directors have discussed are Stefan Swanepoel's annual *Real Estate Trend Report* and *The Pursuit of WOW* by Tom Peters. The PAAR staff, during its weekly meetings, also uses these publications to guide discussion about the industry and evolving association services.

Welcome New AEs

Andrea Booker, Montcalm County Assoc. of REALTORS®, Mich.
Heidi Camsky, Wheeling Board of REALTORS®, W.V.
Marjorie Crooks, Mountain Lakes B. of REALTORS®, N.C.
Maranda DeSanto, Duluth Area Assoc. of REALTORS®, Minn.
Tami Doering, Estes Park Board of REALTORS®, Colo.
Marisol Dumeng, Tri-County Board of REALTORS®, Conn.
Heather Horlor, Greater Portland Board of REALTORS®, Maine
Jennifer Kuteman, Oklahoma City Metropolitan Assoc. of REALTORS®
Betty Lawson, Livingston Board of REALTORS®, La.
Jill Berman Levy, West Essex Board of REALTORS®, N.J.
Celia McConkey, Grand Island Board of REALTORS®, Neb.
April Moschella, Kershaw County B. of REALTORS®, S.C.
Nadia Muret, Reading-Berks Association of REALTORS®, Pa.
Renae Shaffer, Surry Regional Assoc. of REALTORS®, N.C.
Sherry Stell, Medina County Board of REALTORS®, Ohio
Joe Wszolek, Greater Northwest Indiana Assoc. of REALTORS®, Ind.

Maybe you can't please all of your members all of the time, but there are surefire ways to ...

Make Your Brokers Happy

by Masha Zager

Representing all the diverse and competing interests of REALTOR® association members requires diplomatic skills of a high order. Even the needs of small, independent brokers differ from those of large, national franchise brokers. How can you effectively serve one type of member who depends heavily on the local association for resources, such as education and marketing tools, while meeting the needs of another segment of membership with other priorities?

The executives we spoke with say that outreach to broker-owners reveals which services are most needed. To engage brokers of all types, association executives focus on commonalities among members rather than differences. They emphasize the services all their members want, which vary from one association to another. Uncovering this common driver at your association is the challenge.

Dispute Resolution and Advocacy

Pat Jacobs, CEO of the 3,300-member North Oakland County Board of REALTORS®, Mich., says NAR's Code of Ethics and its dispute resolution processes are key benefits for all her brokerages. A large brokerage recently called on Jacobs to arbitrate a dispute between two of its own agents over a $15 million transaction.

Data and Market Analysis

Unique data and research is one key to the Orlando Regional REALTOR® Association's strong relationship with its brokerages.

Because Florida has an influx of foreign investors, Michael Kidd, executive vice president of the Orlando Regional REALTOR® Association, works to develop relationships with global associations, such as the Association of International Property Professionals and the Royal Institution of Chartered Surveyors. These relationships provide networking opportunities for his members. Kidd distributes information about potential foreign buyers in the Orlando region—everything from the frequency of nonstop flights from various cities to queries from trade-show organizers and firsthand observations of shoppers at high-end malls.

"That's information you have to track outside of the transaction database," he explains. "That's gold. … And when you can deliver it with analysis, it appeals to sole proprietors and large brokers alike."

To engage brokers of all types, association executives focus on commonalities among members rather than differences.

Education and Training

Even though many association executives avoid competing with large brokerages for educational services, there is a middle ground. For example, Rebecca Grossman, CEO of the Scottsdale Area Association of REALTORS®, Ariz., tries to complement, rather than duplicate, the brokers' educational offerings. When a course that agent members demand is also offered by brokers, the association will charge for it so as not to compete directly with free or lower-cost brokerage classes.

Grossman's latest strategy is to take classes into brokerage offices and let them customize or tailor the classes for their own agents. "It makes for more open and easy discussion about topics they wouldn't talk about in front of competitors," Grossman says.

Offering agent education and training at a level higher than what brokerages can offer is another way to encourage partnerships. Grossman says she encourages her brokers to nominate their agents as candidates for the association's leadership academies, which offer ongoing training in a variety of areas, from professionalism to community service. "We've gotten some incredible talent onto our committees and boards that way," she says.

Al Ingraham, CEO of the Greater Baltimore Board of REALTORS®, says his association tries not to "trip over" franchised brokers' course schedules. He is careful to

When large brokers are satisfied that the association is valuable to them overall and represents their interests, at least in part, they are more likely to go along with policies that don't benefit them directly.

offer courses at different times and in different locations from the brokers' courses. Offering the same course at a different time can actually benefit large brokerages, he says, because "a lot of people come in at the eleventh hour."

Another way to encourage broker participation is to create events especially for broker-owners (see "Broker Summits," p. 14). The Greater Boston Association of REALTORS®, for example, offers a broker-owner seminar series, which covers such subjects as effective relationships with agents, and a broker-owner forum, where brokers get to meet NAR experts, learn about timely issues, and provide direction to association leadership about what they want from the association.

Demonstrating Value

Regardless of the service, program, or product, AEs say one element is key: trust.

Building or rebuilding trust among large broker members may be as simple as visiting them in their offices. "Don't just sit in your castle and expect them to come to you," Ingraham advises. Or it may require asking disaffected members for their support in improving the association, as Ingraham did when he first arrived at the Baltimore association.

In some cases, smoothing relations with large brokers involves learning what their pain points are and working to address them. For example, John Dulczewski, executive director at the Greater Boston association found that brokers were not getting enough help educating new agents about the value of REALTOR® membership, and his association created materials to assist brokerages. He also hired additional staff to clear a backlog in processing professional standards cases—another source of frustration for brokers.

Even if it takes time and effort, building these relationships pays off in the end, association executives say. At the most basic level, it keeps members in the organization and it can make collecting dues from agents easier ("Broker managers put the squeeze on agents who don't pay," Ingraham explains).

Most important, when large brokers are satisfied that the association is valuable to them overall and represents their interests, at least in part, they are more likely to go along with policies that don't benefit them directly. Jacobs describes several recent initiatives that helped her association but were unpopular with large brokers, including allowing agents to post "virtual tours" on MLSs for free. But she and some of her key staff have been at the association for three decades and have built up a reservoir of trust, so even if brokers grumble, they don't leave.

"We must be doing something right," she says. "The membership keeps growing."

Building or rebuilding trust among large broker members may be as simple as visiting them in their offices.

2014 Michigan Brokers Summit.

Broker Summits

It's all about educating and connecting with brokers

By Gay Eyerman

Real estate brokers know change is constant—and learning about those changes is vital. But most of us learn only when we care about the topic and we trust the messenger. That's why relationships matter when it comes to broker education.

Several state and local associations are firm believers in holding annual or biennial broker summits—one- or two-day educational and networking events just for brokers. The goal is to keep brokers up to date on the latest hot-button industry and economic issues affecting their profitability, legal liability, and future success. When done right, these events solidify the association's role as a trusted resource and valuable business partner.

But are broker-only events right for every REALTOR® association?

Why host a broker summit?

"If you educate brokers, the agents will be educated. Then when they become brokers, they train their agents. That's how you turn the tide," says Holly Eslinger, a broker-owner in Phoenix and chairwoman of the Arizona Association of REALTORS®' Broker University program. Eslinger helped start the group's first broker summit 10 years ago. "I see a great need for broker education, but the brokers themselves often don't see it. Brokers think they know all they need to know because they sold real estate. After maybe three years, they start their own company and bring on a few agents. They need support—but brokers only know what they learned as agents."

Bill Martin, CEO of the Michigan Association of REALTORS®, describes his organization's broker summits as opportunities for conversations beyond continuing education and license requirements—held in a fairly intimate setting with 100 to 150 members attending. "It's more high-level information," Martin says. "It's about the business climate, what to expect today, and giving them a crystal ball for the economic situation and how to better respond for the future."

> "Brokers feel we're finally appreciating them with the special attention they deserve and require."
> — Isaac Chavez, CEO of Vermont REALTORS®

Broker summits can tear down boundaries and inspire new leaders. "Summits are not just for big brokers; they're for broker-agents as well as broker-owners," says Dave Bert, CEO of the Iowa Association of REALTORS®. "They all have leadership abilities, so the more ears the better." For eight years, his association has hosted summits attracting more than 100 brokers at each event, including many from rural communities. Recent topics have included risk management (with a focus on rural issues), local economic development, and a National Association of REALTORS® speaker on the benefits of participation in national "Calls for Action."

The National Association of REALTORS®' broker summit in Atlanta in August attracted 200 brokers from across the country (with 80 on the waiting list) and featured two days of sessions focused on

Lawrence Yun, NAR senior vice president and chief economist, gives an economic update at the 2014 Michigan Brokers Summit.

management issues. NAR 2014 President Steve Brown, along with Large Firm Relations Liaison Steve A. Brown and Terry Hankner, a broker and chairperson of NAR's Idea Exchange Council for Brokers, developed the agenda that included everything from a legislative outlook and risk management to management styles and branding.

The notion for NAR's 2014 REALTOR® Broker Summit came from the first meeting of the Idea Exchange Council for Brokers in May 2013, says NAR President Steve Brown. "That first meeting was standing room only; they were spilling into the hallway and they were wanting to hear about the latest trends and what their fellow brokers were doing. So immediately you could see there was a real need for this information. Brokers really wanted some help and guidance and suggestion as to how they could be better brokers."

After the summit: lessons learned

Eslinger has come to see broker summits as part of an overall strategy. After 41 years in real estate, she is still passionate about helping brokers and agents become more profitable and successful. She mentors numerous brokers and serves on the NAR Professional Development Committee, all with a goal to help the 5,500 brokers in the Arizona Association of REALTORS®. "For the 125 that come to the broker summit, it's what we can do. We keep going," she says. "I get my kicks from the results, from talking to brokers about a problem and taking care of it."

Broker panel discussions, like this one at the Oklahoma Association of REALTORS®' broker summit, are typically the most popular summit sessions.

Steve Brown, 2014 president, National Association of REALTORS® speakin g at the NAR Broker Summit in August in Atlanta.

"The only advantage NAR has over a state or local broker program is that when brokers go to a national venue they feel a little bit more like sharing."

— Steve Brown, 2014 President, National Association of REALTORS®

Education is not the only value of broker summits. Bill Martin sees value in "getting down to the street level, doing more than just shaking hands" as he develops personal relationships with brokers small and large. "A summit builds trust and credibility, leading to other opportunities and keeping us together as a team," he says.

Martin sees that as especially valuable in creating an effective and engaged REALTOR® Political Action Committee, the voice of REALTORS® on Capitol Hill.

Perception matters and a broker summit can make all the difference. "Brokers feel we're finally appreciating them with the special attention they deserve and require," says Isaac Chavez, CEO of Vermont REALTORS®. He believes ongoing education is essential for brokers, as they are legally liable for all their agents.

Chavez says Vermont continues to grow its summits and attract from 80 to 120 members to events that are "low cost, low maintenance, and fairly easy for staff to run."

At NAR's REALTOR® Broker Summit, the most positive feedback on the post-event survey was about how helpful it was to hear brokers, both independent and franchise, at a variety of firm sizes, discuss issues and how they deal with them and some of their ideas. One of the highest-rated sessions on the agenda was the RISmedia Power Broker Roundtable session.

"The only advantage NAR has over a state or local broker program is that when brokers go to a national venue they feel a little bit more like sharing," says Brown. "Sometimes in a local venue there's still a little fear of the competition and revealing your strengths and weaknesses to your immediate competitors."

According to the NAR post-event survey, attendees rated the event highly: 94 percent felt that they received the value of their registration fee and 84 percent expressed some likelihood of attending next year. Although no future dates or locations are set, NAR expects its broker summits to continue.

5 Essentials of Broker Summits

How to Organize Great Events for Brokers

1. Content matters. Think education first.

Ask brokers about current issues they face and use tools such as SurveyMonkey to poll their interests. Discover their concerns so you can plan a meaningful agenda that is timely, practical, and valuable to brokers in your state. "We're very careful about choosing topics and tailoring the event to broker issues," says Isaac Chavez of Vermont REALTORS®, whose latest summit features sessions on fair housing and leveraging the Google environment.

2. Start small and see exponential effects.

Don't worry if your turnout is small at first. Brokers are busy and often don't see the need to educate themselves beyond the minimum state requirements. Get the word out and ask your active brokers to invite someone. Cater to the brokers you can attract. They will train (and inspire) their agents.

3. Plan in advance for good speakers.

Chavez takes advantage of top-notch speakers from NAR provided at no charge but recommends booking via realtor.org nearly a year in advance. Expert local or state speakers also add value.

4. Charge a small fee and offer CE credits.

"If you give it away, it has no value," says Dave Bert from the Iowa Association of REALTORS®. Charge a nominal fee for the opportunity to learn about timely topics, network with other brokers, eat a nice lunch, and earn a few CE credits. And if you charge a fee (most range from $15 to $50), brokers are more likely to keep their reservation.

5. Make it short and sweet with good food, drinks, and venue.

Some associations keep it to a short day with catered lunch or provide a reception the night before for those who need to travel. Bill Martin of Michigan REALTORS® suggests unique venues to attract speakers and brokers. ("Everyone's already been to a Marriott ballroom.") They chose the Michigan Motion Picture Studios last year (during filming of the "Transformers" movie) and Ford Field in 2014.

John Flor, managing broker of Six Lakes Realty, Wis., and REALTOR® Party Member Involvement Liaison speaking at the Kentucky broker summit. This event is now an annual event after being a biennial event.

"We're very careful about choosing topics and tailoring the event to broker issues."

— Isaac Chavez, CEO of Vermont REALTORS®

The Michigan Association of REALTORS® attracts brokers with unique venues and speakers. Dave Wilson (above), NFL Chaplain with the Detroit Lions, was the keynote speaker at the 2014 event at Ford Field.

The National Association of REALTORS®' 2014 Broker Summit in August in Atlanta was sold out. More than 15 percent of attendees said that they heard about the event from their state or local association.

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AE Tips for Defusing Disruptive Members

Keeping your calm, taking responsibility, and hearing members out makes all the difference in effectively neutralizing negativity.

It's something few AEs want to discuss: the member who seems to have a personal grudge against you or the association, or the volunteer leader who opposes your initiatives and challenges your leadership out of the blue. Every association executive faces disruptive members from time to time, and they can rattle normal practices and habits.

Handling difficult members is a unique challenge every time, but you can be more prepared with these tips shared by AEs who've been there.

Della D. Csehoski, e-PRO, RCE, AE at the Cambria Somerset Association of REALTORS®, Penn., says the key to neutralizing negative or disruptive members at her small association is the personal approach. "I take the time to know my members and care about them," she says. "When a difficult issue or member pops up, I rely on the rest of the membership to back me up."

If an agent is the problem, Csehoski speaks with the agent's broker. If a broker is the problem, she asks her board president to speak with the broker. "If that doesn't solve it, I take the issue to the membership or full board of directors." She never gives the person's name until a decision is made, so there is no bias. She advises that you always hear that difficult person out, play devil's advocate, and give all the facts.

John B. Leonardi, RCE, CEO of the Buffalo Niagara Association of REALTORS®, N.Y., says many AEs fall into the trap of thinking that volunteers are their friends. "Volunteers are great people. They volunteer because they are civic-minded and they deeply care for their association, but they aren't our friends. Maintain a professional relationship and be open and honest leaders."

One instance stands out in Leonardi's mind: "Several years ago, I had a member send an anonymous letter to all of the directors and past presidents that stated misconduct, abuse, and negligence on my part. It even mentioned my spouse," Leonardi recalls. "It literally tore the board apart. There was outrage and disgust for several months. At every director meeting it was discussed: Who would send this letter and why?"

Although the allegations were initially dismissed, some directors started asking questions about the validity of the content of the letter, which had to do with a credit card charge.

> "Volunteers are great people. They volunteer because they are civic-minded and they deeply care for their association, but they aren't our friends."
>
> — John B. Leonardi, RCE, CEO, Buffalo Niagara Association of REALTORS®

> "Follow your policies consistently and treat each member fairly, because you never want a member to feel slighted or unimportant."
>
> — Donna Garcia, RCE, Director of HR and Business Services, National Association of REALTORS®.

Leonardi took action. First, he consulted with his association attorney and an outside accountant. The secretary-treasurer who audits the credit card statements each month said he reviewed the charge in question and it didn't exist. Then the accountant qualified that statement. Next, Leonardi revised his director orientation from one hour to four so that all directors could learn how to review the association's annual financial audits and understand the CEO's role and financial obligations as well as their own duties.

"I really thought that this open-book approach worked, but no, there were still rumblings about the erroneous credit card charge. It hung in the room like cigar smoke for months," Leonardi says. Finally, he took it head on. "I requested we go into executive session. Everyone was shocked and confused and some thought I was resigning. I started out by stating, 'There must be a strong level of trust between me as the CEO, the executive committee, and you, the board member. Clearly, there isn't.' I pulled out my credit card and my statements and put them on the table and invited everyone to inspect them. Then I said, 'To be a strong association, to prosper and make decisions that are best for our membership, we must be open, honest, and in lockstep.'"

The personal and heartfelt appeal worked. The meeting continued without a hitch and Leonardi received a bonus that year. The director suspected of writing the anonymous letter resigned the next month.

"At every meeting, to this day, I conclude my report by saying, 'Are there any concerns or questions? This is your association; feel free to ask me or the executive committee anything,'" says Leonardi, "but there are never any takers."

Transparency in policy and practice is key to preventing disruptions at your association but sometimes there's no defense. When issues arise, stay professional, contact your association attorney, and discuss matters with your elected leaders, recommends Donna Garcia, NAR's director of HR and business services.

"Follow your policies consistently and treat each member fairly, because you never want a member to feel slighted or unimportant," says Garcia. "Many times, misunderstandings arise from miscommunication so it's always best to address any problems immediately. The longer you wait, the longer the anger festers."

From her experience advising AEs faced with disruptive members, Garcia say members will tend to back off when they know that their behaviors will not be tolerated. She also advises that AEs should attempt to resolve issues on their own first; then, if that doesn't work, involve leadership. "I strongly recommend that the AE have another person present when meeting with an irate member, either board counsel or someone from leadership."

Unfortunately, Garcia has seen cases when the AE does not prevail. "There may be instances where the cards are stacked against you and you need to work on your exit strategy," she says. "If that occurs, assess the situation and think about what, if anything, you could have done differently so that you can make a fresh start."

AE Carol Platt on Managing Disruptive Members

From volunteers who suddenly quit their duties to board members who feel personally offended by a new policy, **Carol Platt**, CEO of the Osceola County Association of REALTORS®, Fla., has had to weather member-generated storms in her years as an AE. Fortunately, she has compiled a few tips that will help any AE survive his or her next challenge:

"Although a member may be engaging in personal attacks, choose to not react personally. One slip here and you have already lost. When you can ignore it do, but do not ignore what may escalate."

"Treat every member the same and do not break rules or bend rules for anyone. The one that you benefited will always tell someone. People can disagree with you, but they will still respect you if you are fair to everyone."

Disruptive members will manipulate one staff member against another. Stop this from happening by being honest with staff and building a team atmosphere."

"Do not allow bad behavior to take place in another language. Treat that member with respect and use an interpreter if you have to for honest discussions. Understand that cultural differences may include temperament differences but help members understand that they are part of the REALTOR® culture and some adjustments are needed."

"While you may love your job, always be willing to walk out the door if you need to. Keep your résumé current and do not allow a member to personally degrade you, commit illegal acts, or mistreat staff. The job is really not worth it."

"Take your vacation and sick time and take care of your health. It will keep you on your game."

"Have a good set of policies (including a harassment policy) and procedures, and follow them. Ambiguity breeds discontent."

"Front staff is instructed to bring any out-of-control members back to me or other senior staff to get them away from their audience. Most of the behaviors stop the minute this happens. I've taken the most profane and belligerent members into my office and calmly said that I will not treat them with disrespect, nor will I fail to serve them in the best manner possible. However, I have a responsibility to ensure that no member threatens or harasses staff or any other member. You can turn a member into your best friend because you were willing to show a little tough love."

"Admit mistakes. I've found that saying 'I apologize' works better than saying 'I'm sorry,' it's more formal."

"Keep really good records. If you are charged by a member before a board and threatened with legal action, those records will save you and your staff. When an accusation was made in writing to the board, I responded with legal affidavits from myself and staff members and backed it up with data. I have instructed staff to keep exceptional records."

"Have good AE resources to help you think through the tough times. Surround yourself with successful AEs as models."

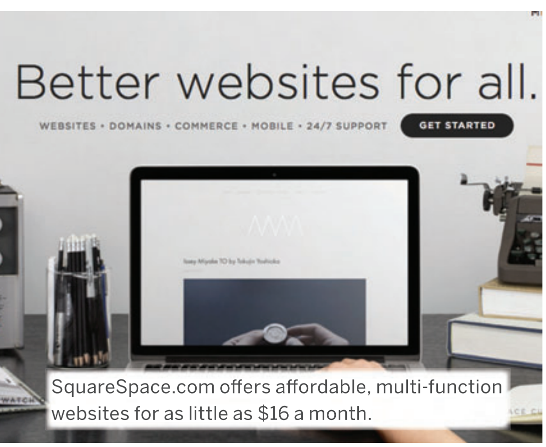
"Be careful not take the work stress of disruptive members home to your family. It will affect them, too, and strain your home relationships."

Technology on a Shoestring

Free and low-cost options for association website and e-mail requirements.

There's no argument that the Core Standards initiative will cost associations some money to fully implement, such as hiring a CPA for the required audit or annual review. But most provisions of the standards can be fulfilled with no or very little investment. Here we look at the affordable and free options for the website and e-mail communication requirements.

Let's look at the core requirements for an association website. The first is that it must be interactive, which simply means it includes links that can be clicked to get to other information. The only websites that would not meet this basic criterion are online business cards or the phonebook-type pages from sites such as Yelp.com or Yellowbook.com. Members might find these pages in a Google search for your association name. The Yellowbook.com page for the Suburban West REALTORS® Association, Pa., for example, has links, but the association is not in control of adding or changing these links; they are determined by Yellowbook, so a page like this would not meet the standard.



SquareSpace.com offers affordable, multi-function websites for as little as $16 a month.

The second requirement is that the site provides information on professional standards and arbitration filing processes along with links to the state association and the national association. Take a look again at the Suburban West association. On its home page (www.suburbanwestrealtors.com), the "professionalism" tab offers visitors links to an arbitration page, which includes a PDF of the filing form, and an ethics page includes links to a PDF of the most current version of the NAR Code of Ethics and Standards of Practice document. Suburban West's "Useful Links" page offers not only links to the Pennsylvania and National associations but goes beyond the requirement with links to neighboring local and state associations.

Of course, these requirements are the minimum and almost all associations go much further. For a list of suggested links and best practices to make your association website even more useful, visit the Core Standards Technology Compliance Guide.*

If you already have an association website but do not meet these content requirements, it should be easy to add them at no cost, or low cost if you need someone to help you.

If you do not have an association website, consider using a free or low-cost option. Although social media sites including Facebook and LinkedIn are free, they're not recommended for use as a main association website for a number of reasons, says Keith Garner, National Association of REALTORS®' vice president of Information Technology Services.

"Facebook could go out of business at anytime or change the rules of how it displays the data you post," says Garner. "Plus, Facebook or LinkedIn could change the terms of its user agreement to own any data or photos you post and have the right to do anything it wants with them." Social media sites also are not designed to offer the volume of information required by the standard.

For less than $6 a month, Godaddy.com's website builder offers a "Business" website with a domain name option and e-mail. Associations can choose a themed template online, then add and change information and links—plus it's mobile-ready. GoDaddy's online builder is as easy as setting up a Facebook account. Similar options, all for less than $20 a month, are available at Squarespace.com, Wix.com, Jimdo.com, Wordpress.com, and others.

Website builder packages usually offer one or several e-mail addresses included or as an added service. The core standards require that all associations communicate with members via e-mail (or another Internet-based means of communications). This means associations must not just have e-mail but also actively use it to send information and answer members' e-mail inquiries.

Free e-mail from Google, Hotmail, and hundreds of other providers qualify as meeting the requirement, yet an e-mail address branded with your association name, such as info@suburbanwestrealtors.com, looks more professional.

Best practices for member notifications, understanding spam, and other uses of e-mail, including conducting member surveys, are available at realtor.org in the Core Standards Technology Compliance Guide.*

*realtor.org/ae/manage-your-association/realtor-association-core-standards-technology-compliance-guide.

Keep Brokers Informed on Independent Contractor Status

Courts and federal agencies take a new look at whether real estate sales people and other freelance workers are actually employees.

According to federal law, for federal tax purposes, real estate agents will not be treated as employees if these three requirements are met: (1) The agent must be licensed; (2) Substantially all income must be made on the basis of sales or output, not on hours worked; and (3) There must be a written contract between the salesperson and company stipulating independent contractor status. Additional state requirements may apply.

The independent contractor status of real estate salespeople recently has been challenged in three new court cases. This has caused a great deal of concern among brokerages across the country, and the National Association of REALTORS® is watching the cases closely to see what effect they may have on the industry.

To help explain to your broker members how to avoid these types of legal claims, NAR has put together a variety of resource materials, including handouts and videos, that you can reproduce in your member communications, present at a broker meeting, or link to in your social media channels (*see sidebar*).

These resources are also relevant if your association uses independent contractors or if you, as an AE, are an independent contractor.

Challenges to independent contractor status of salespeople

Of the three court challenges—one in Massachusetts and two in California—the Massachusetts case was decided, in a trial court, for the broker, who successfully argued that his brokerage's real estate salespeople are properly classified as statutory independent contractors.

Independent contractors are free to determine where, when, and how they perform their job. By contrast, employees are directed by the employer as to where, when, and how to fulfill their tasks and responsibilities. A number of tests have evolved to determine whether the individual is an independent contractor or an employee, but the primary focus is the amount of control being exerted by the business over the individual. The salespeople in the Massachusetts case had argued that certain elements of control imposed by the broker, such as mandatory office time and a dress code, mandated their classification as employees.

The lawsuit brought to light two areas of Massachusetts law that are in conflict. The state's real estate law says sales associates can be either employees or independent contractors and requires brokers to exercise supervisory authority over them, regardless of their status. That conflicts with the state's employment law, which de-

In *Monell v. Boston Pads*, salespeople claimed they were employees, not independent contractors, in part because they were required to spend a certain amount of time in the office answering the phone.

fines independent contractors in a way that such supervision can appear to undermine a contractor's independence.

The trial court found that the amount of control being exercised over the individual salespeople was in line with what the state's real estate license law required. The case is now before the state's highest court. The challenges in California are still in the early stages.

Despite the broker prevailing in Massachusetts, the challenges have raised concern among brokerages across the country, which are re-evaluating their processes and procedures.

These are the questions brokerages should ask when evaluating their relationship with their salespeople.

1. Are you complying with state employment and labor law?

Every state has different statutes pertaining to independent contractors and worker's compensation, labor laws, and unemployment compensation.

2. Is there a written independent contractor agreement?

Although an independent contractor agreement between the parties alone is not determinative, it should create the framework of the relationship between the parties.

3. In practice, is the brokerage exerting appropriate control over the salesperson?

How a salesperson is classified is determined by the actual relationship and practices of the parties. Brokers should avoid making certain acts mandatory, such as requirements to work certain hours, dress in a certain way, or undertake specific training—although these acts do not necessarily undermine independent contractor status. Providing benefits such as health insurance to an independent contractor could also be seen as a factor in classifying the individual as an employee.

Point Broker Members to These Independent Contractor Resources at realtor.org*

- Independent Contractor Status Frequently Asked Questions
- Ten Ways to Successfully Manage Your Independent Contractor Relationships
- Video: Challenges to Salesperson's Independent Contractor Status
- State Statutory Approaches to Worker Classification
- Legal Case Summaries: Salesperson Ruled Independent Contractor

* View this article online at realtor.org/articles/keep-brokers-informed-on-independent-contractor-status for active links.

Independent Contractor Issues in the News:

- Groundbreaking federal appeals court decision overturns a lower court decision applicable to 42 court cases where FedEx Ground delivery drivers were **misclassified** as independent contractors and not employees. Aug. 27.
- Virginia Governor Terry McAuliffe issued an executive order establishing an interagency independent contractor **misclassification task force**. Aug. 15.
- Independent contractor cab drivers in San Francisco vote to form the first independent contractor affiliate of the American Federation of Labor and Congress of Industrial Organizations (**AFL-CIO**). Aug. 13.

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GAD Turned AE Keeps Strong Focus on Advocacy

Jarrod Grasso, incoming chair of the AE Committee, built the New Jersey Association of REALTORS® into a model of political effectiveness.

Topping virtually every survey of what brokers want from their association is political action. Although other product and service needs vary by location and brokerage size, political advocacy is almost universally valued.

Jarrod Grasso

"Our brokers are savvy enough to understand the nature of their business and know that without strong lobbying efforts on their behalf, taxes, fees, or other government burdens can negatively affect their bottom line," says Jarrod Grasso, RCE, CEO of the New Jersey REALTORS®. For nine years before becoming the association's CEO, Grasso served as the chief lobbyist responsible for the tracking, revision, and analysis of legislative issues affecting New Jersey's real estate industry.

New Jersey has been actively pursuing several state and local political and legislative initiatives lately, from defeating a local ordinance that would limit commercial property size to making sure no new real estate taxes make it into the 2015 state budget.

But one national issue that has definitely had implications in New Jersey has been FEMA regulations and the National Flood Insurance Program.

"This issue really struck a chord after Hurricane Sandy and the implementation of the Biggerts-Waters Act, which extended federal flood insurance for five years," Grasso says. "Many of our coastal associations sprung into action to help diminish the negative impact increased homeowner insurance rates will have on our housing industry. We must continue to lobby for an affordable insurance product for home owners."

For Grasso, a good legislative awareness program consists of a multipronged approach with brokers playing a vital role.

"Brokers have to know they are a key component; they are the one the agents respect and trust. That's why it's important that brokers help to communicate our advocacy messages to their agents and get them engaged in the political process."

New Jersey's increased participation in Calls for Action and bump in Political Action Committee fundraising over the past few years reflects how not only the state but also the local associations are carrying the political advocacy message to the grassroots, Grasso says.

In fact, the REALTOR® organization's ability to engage in a wide variety of political and issue campaigns is the envy of other organizations. "Not many of our fellow trade associations have the know-how or fortitude to run a successful independent expenditures campaign," Grasso says. "Here in New Jersey, our friends in allied associations have turned to us for guidance and advice on how to run a sophisticated advocacy operation."

Capitalizing on funds provided by NAR for issue campaigns and independent expenditures, Grasso has put New Jersey REALTORS® on the map with legislators and the public. The New Jersey association was the biggest non-union spender on state elections over the last several years, ranking fifth overall at $17.5 million, according to recent data from the state's campaign finance watchdog agency.

Essential to this success is soliciting broker involvement. "Having open and honest messaging and making yourself available is the best way to foster strong connections with brokers," he says. "I try my best to attend at least one meeting of each of our local boards per year and give a presentation to local members and brokers about the issues impacting our industry. It is key to the success to the REALTOR® organization and the REALTOR® Party program."