

The Leadership Puzzle

Putting the Pieces Together



Adorna O. Carroll

DSA, ABR, SRS, CRB, SRES, GRI, SFR, PMN, ePRO

Adorna@Adorna.com

DynamicDirections.com

Setting the Boundaries



Legal Duties and Issues

Fiduciary Duties to Association

Members must understand the impact, ramifications & liability if violated

Anti-Trust

In any meeting, gathering or interaction of members and must be handled

Conflicts of Interest

Personal conflicts and/or agendas
Holding Local, State and/or National positions concurrently

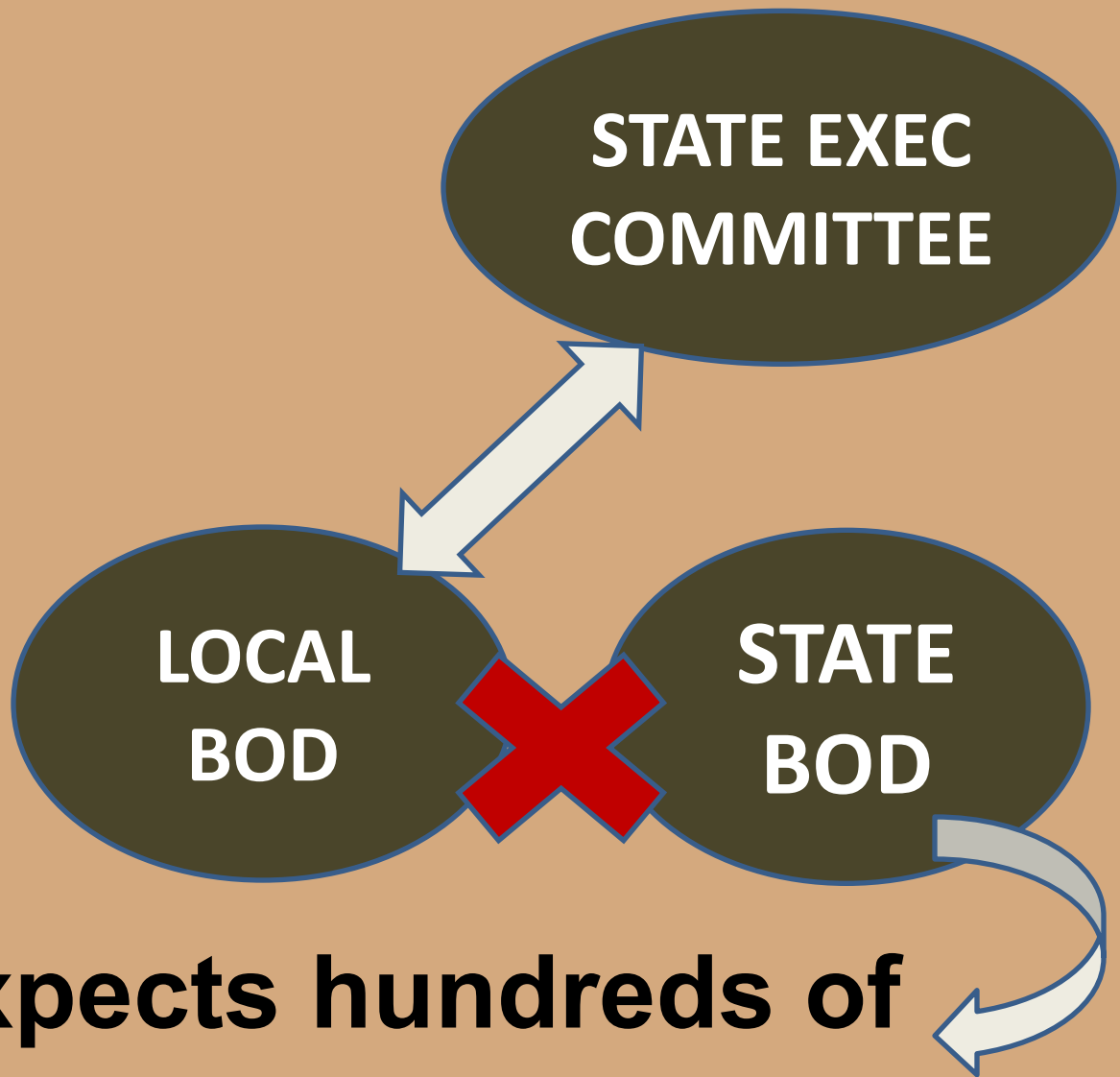


Fiduciary breach nullifies E&O Insurance; opens directors up to personal liability; allows for class action and general lawsuits against the board

- **Obedience** to by-laws, BOD decisions, policies, procedures and guidelines
- **Loyalty** to the decisions of BOD whether you agree or voted for it
- **Disclosure** of facts, research, pros/cons of any issues to be voted on
- **Confidentiality** for all debates and votes; BOD could be expected to sign an “Agreement of Confidentiality” – *there is no transparency!*
- **Accounting** for money and docs
- **Reasonable Care** to be knowledgeable prior to voting; engage in full debate; render an action in best interest of association



The Confidentiality Equation



No one expects hundreds of people in a room to keep a secret

Anti Trust — 3 Ways to go to Federal Prison



Price Fixing

Boycotting

Restraint of Trade

Lawsuits are still coming from the DOJ
Focused on private MLSs now
Vehemently protect Entry Only,
Limited Service and Internet Options
for buying and selling consumers

Conflicts of Interest are Event-Driven

Conflicts can include

- Ownership interest or 'close' relationship to someone who is an owner in a program, product, service or entity
- Being an employee of an entity or competitor
- Personal agendas, relationships; Firm policies
- Voting on more than one level of the association



- 1. What is your obligation if you have a conflict?**
- 2. Does the BOD/Group have a right to ask the person with a conflict questions?**
- 3. Is the person with the conflict who is a member of the board obligated to answer those questions?**
- 4. May they stay in the room for the debate?**
- 5. Can they vote?**

Forms should be available for each board and/or committee meeting since disclosure of conflict required by that time



A close-up photograph of a hand pointing upwards towards a door handle. The door is made of dark wood and has a silver handle. The lighting is dramatic, with the hand and handle highlighted against a dark background.

Serving on more than one level of the organization

Who's Interest Do You Serve?

- **Is there constituency voting?**
- **What is your obligation if the local differs from the state where you vote on both?**
- **What is your obligation to the local after the state vote?**

**Every Person has a Role
Every Action has a Process**



The Players

Duty of
Confidentiality

Magic Triangle:
President; Pres-Elect; CEO

Leadership Team:
P, PE, PP, FVP, T, CEO

EXEC Committee:
LT, DLs/VPs

BOD: Exec, others by By-Laws

Members

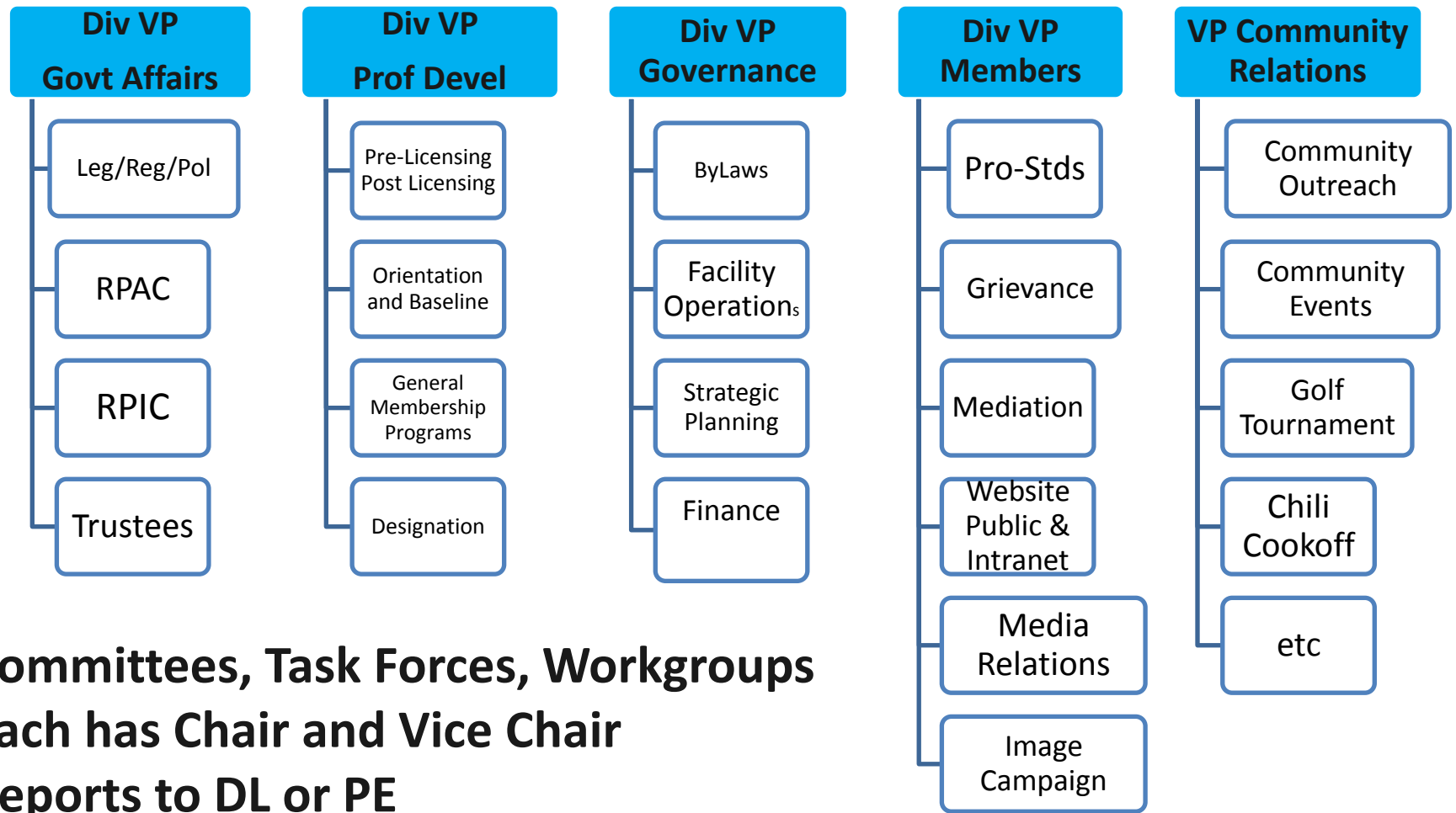
Affiliate Members

Structure of Group



Could have At-Large or Regional VPs as well

Optional but effective - Divisional/Director Liaisons on Exec/BOD



Committees, Task Forces, Workgroups
Each has Chair and Vice Chair
Reports to DL or PE

How Things Get Done - Steps from Plan to Action

1

- Strat Goals Created; \$\$\$ & human resources applied; goes to BOD

2

- BOD reviews plan, prioritizes goals; ratifies plan; delegates objectives to committees; sets timeline; outlines budget if applies

3

- Committee receives objectives; Determines HOW to attain them

4

- Committee forwards actions with rationale thru DL and/or PE

5

- Actions filtered thru budget/legal for recommendations if needed

6

- LT discusses each action to determine if it makes this agenda

7

- LT makes recommendation on each agenda item

8

- BOD debates/acts on each agenda item considering recommendations from budget/legal and LT

9

- Action items provided to members with rationale

Meetings and Minutes

- Meetings start on time
 - Chair of meeting may NOT speak to issues
 - No ‘Chit Chat’ during meeting
 - Agree to disagree
 - Batch action items
 - Cancelled for lack of business
 - Fiduciary Duties always in play
- Minutes can be subpoenaed as well as:
 - Notes taken at meeting; emails regarding issues
 - Peripheral Devices – phones, iPads, Laptops, etc
- Should be motions and status of vote only
 - Not a vote count
 - Just pass or fail



Standard Meeting Agenda

- Call to Order
- Consent Calendar
- Approval of Minutes
- Receipt of Treasurer's Report
- President's Report
- CEOs Report
- President-Elect's Report
 - Standing Committee Reports
 - Action items under 'New Business'
- Unfinished Business
- New Business
 - Committee Action Items
 - Others - Identified in advance
- Adjourn



Job Descriptions



CEO

President

President-Elect

First Vice President

Treasurer

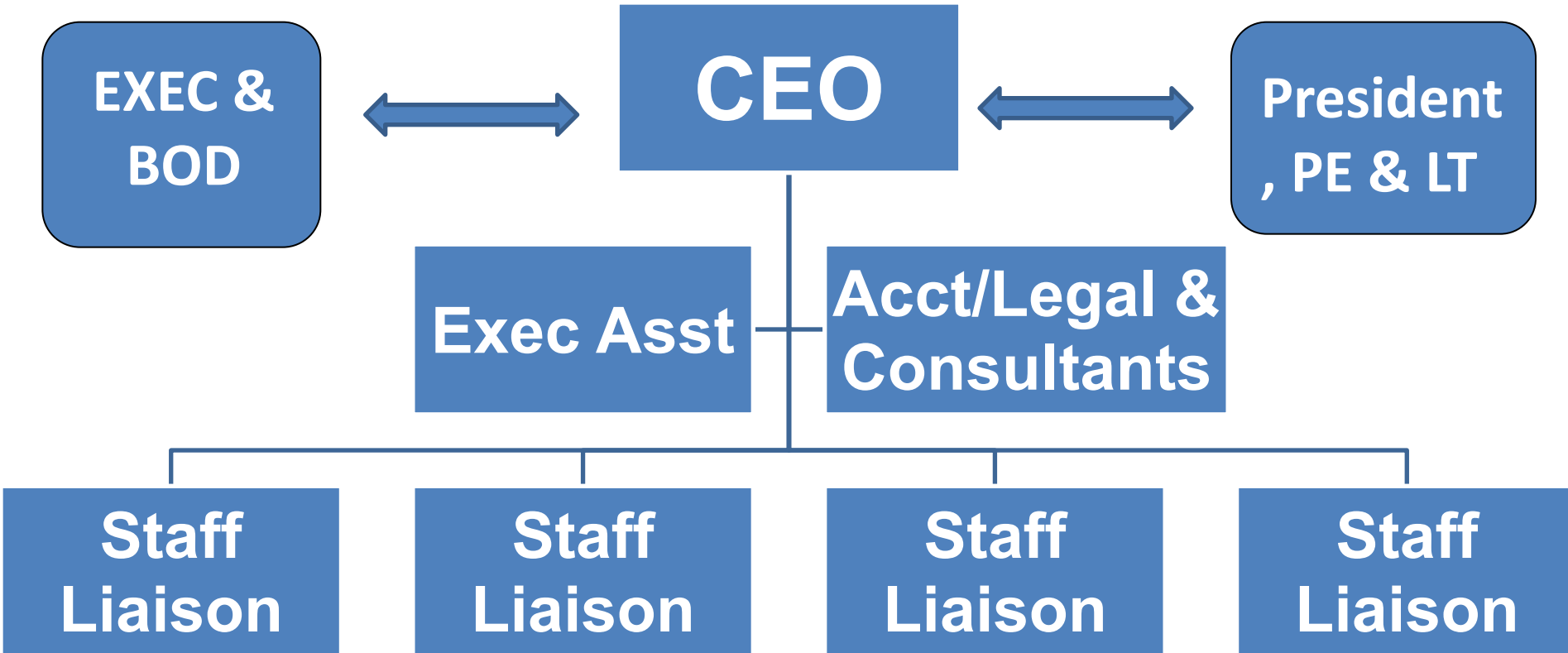
Past President

Director Liaisons

Board Of Directors

Committee Chairs & VChairs

Staff Organizational Component



- Sole responsibility to manage staff – hires, fires, bonus, benefits, duties
- Responsible for budget and business plan
- Members do not circumvent the CEO to direct staff

The Magic Triangle – President, P-Elect, CEO

- Collaborate openly for results - No conversation or direction occurs without all 3 being a part of decision
- Chief Spokespersons of organization
- Appoints Chairs & Vice Chairs according to bylaws
- Set expectations and progress of the group for the year
- Implements the actions of the strategic plan
- Delegates and supervises loosely – does NOT attend committee meetings
- Recruits others to get involved
- Prepares the next person to take over



Others on the 'Leadership Team'

Treasurer

- Delivers Financial Reports to BOD and members
- Can analyze all current charges and expenditures
- Chairs the Finance Committee evaluating current budgets, financial goals and policies
 - Follows the financial policy to monitor investments, reserves, restricted funds, dedicated funds and capital expenditures
 - Analyzes the difference between member benefits and 'fee for service'
 - Knows the demographics of membership
 - Does NOT micromanage the budget once approved

Past President

- Is a point person for LT positions at BOD
- Recruits future leaders
- Chairs controversial workgroups
- Rises to other levels of service



Director Liaisons and Committee Chairs/VChairs

- DL Supervises a collection of like kind committees
- Director Liaison is the bilateral conduit between BOD and committee working with Chairs and Vice Chairs
- Is the point person at the board for the committees perspective on issues before the board
- Does attend committee meetings
- Works with staff liaisons to help committee complete their objectives from the Strategic or Business Plan
- Informs the LT when the committee will be forwarding action items to the BOD
- Absent a DL all action items flow to the President Elect
- No automatic upward direction



Board of Directors

- Must follow Fiduciary Duties or BOD has an obligation to remove them
- Makes business decisions for members that are “engaged in the business” - not all members
- Credibility of organization tied to each person’s business reputation
- May hear procedural reviews
- Act and meet according to bylaws
 - Reviews & approves all budgets
 - Ratifies the Strategic plan
 - May elect officers
 - Debates/Votes on action items only





Signs You are NOT a Leader

Micromanagement –

You don't know your job so you screw up someone else's

Personality Clashes –

You don't have to like or love each other – you just have to work together so get over it

Both are signs of a weak ego and fragile personality



RE-INVENTING THE WAY THE ASSOCIATION FUNCTIONS

Members Will Engage When

- The board operates like a business
- Leaders are true examples of successful business professionals with ethical business practices
- The board is representative of it's membership – generationally, ethnically & business specialties
- The board provides members with programs, products and services that provide a return on their dues investment
- They are asked to participate



Who is your member?

Until you understand the business and generational demographics of your members you won't be successful in

- Communicating with them
- Understanding their concerns
- Engaging them into the process
- Providing relevant programs, products and services
- Serving in leadership positions
- Lending their talents to proactively solve the association's problems



Its all about the Information

- Ratio between agents, managers and broker/owners (selling versus not selling)
- Years in the business
- Age demographics
- Communication preferences
- What technology they are currently using
- Educational preferences
- Talents and interests
- Ratios of agents in all business specialties



Changing Business Dynamics

Seniors-Boomers

- Volunteerism ingrained
- Tech Immigrants
- Tactile – High Touch
- Land lines, snail mail, newspaper, personal
- Professional controlled info
- MLS limited to sales area
- General business practitioners
- Manual transfer of paper, crossing the threshold, live closings
- Sub-agency reliance on co-broke fee offered

Gen X & Y

- Participate if asked
- Tech Natives
- Comfortable in virtual environment
- Email, text, social media
- Consumer has access to info
- MLS beyond sales area
- Practice limited to business specialty
- E-transaction, less desire to cross threshold, virtual closings
- Contractual rep yields compensation thru proceeds

Board Dynamics

Past

- BOD mostly older broker-owners
- Leadership was primarily male broker-owners until the 1980's
- Functioned as an industry club - service organization
- Most AEs were clerical staff
- Most boards had their own proprietary MLS and financially relied on the income stream
- Gala Events well attended since social-business networking club
- General Member meetings the primary arena for business info
- Snail Mail, Flyers and Fax used

Current

- BOD mostly agents but a few 'younger'
- leadership incorporates more women broker-owners/agents
- Functions as an industry advocate and community business partner
- AEs evolve into CEOs; function as business managers running a major corporate entity
- May not have a proprietary MLS
- Runs like a business to generate non-dues revenue streams
- Gala/Gen Member Events wane since other info/social sources



What will NextGen bring and how will things continue to change?

- [Microsoft Vision 2019](#)
- [Future of Computer Interfaces](#)
- [Apple iGlasses](#)
- [Shift Happens](#)

Answers



1. What is your obligation if you have a conflict?

Disclose in writing prior to the event/item is discussed

2. Does the BOD/Group have a right to ask the person with a conflict questions?

Every group has a right to ask – should they or would they knowing the response may be skewed is a different question

3. Is the person with the conflict obligated to answer?

Yes because their fiduciary is to the BOD or Group

4. May they stay in the room for the debate?

NO since their presence alone might influence, intimidate or restrain someone from providing an honest opinion

5. Can they vote - **NO**

Forms should be available for every BOD and committee meeting since disclosure required by that time



Training Solutions for Today's Professionals

- ✓ Strategic Planning and Leadership Training
- ✓ Meetings/Training in a Box – Series of Webinars, Live Class and/or Virtual Live Video Conferencing
- ✓ Designation Course Training
 - ✓ ABR, CRB, WCR Courses and more
 - ✓ SRS – Seller Representative Specialist
- ✓ GRI & Continuing Education
- ✓ Convention Programs & Ed Fairs
- ✓ Course Development
- ✓ Adorna@Adorna.com
- ✓ <http://www.DynamicDirections.com>



[▶ Training Solutions](#)[▶ Course Options](#)[▶ Get Your RE License](#)[▶ New Agent Training](#)[▶ Seasoned Agent Training](#)[▶ Broker-Manager Training](#)[▶ Technology Training](#)[▶ Leadership Training](#)[▶ Assoc Exec Seminars](#)[▶ Real Estate Related](#)[▶ Instructors](#)

Live and Virtual Training Solutions

[Training Solutions Overview](#)

[UpComing Technology Training](#)

[Visit our Product Store](#)

Dynamic Directions along with The Tech Byte offers you a wide variety of training for today's professional. Whether your looking to obtain a real estate licence, get continuing education, designations or need technology guidance, we can help.

Got a Question?