

in the boardroom

BOARD MEMBER
TIPS AND TRENDS

You get what you pay for...really, you do.

According to the Idioms by the Free Dictionary, “You get what you pay for” means:

Inexpensive goods or services are likely to be inferior, as in “That vacuum cleaner fell apart in a year – I guess you get what you pay for,” or “The volunteers take three times as long with the mailing, but you get what you pay for.” This economic observation probably dates from ancient times, and is still true today.

Although we’ve heard the saying “you get what you pay for,” many of us ignore this old adage, continue to try our luck and hope it does not apply to us. Not surprisingly, this seems to hold true with board members in search of a new manager or management company. Generally, it isn’t long before the board realizes that the rule does apply ... they are getting what they are paying for.

And that’s just the start of the downward spiral. If your current management company offered deplorable service at \$1.00, how do you think the next one will do better at \$0.95? Cut-throat pricing combined with a practice of burying managers under a train wreck of accounts is a sure formula for failure, not only for the management company, but also for your board and your community. How many bites are you going to take from the same rotten apple?

Let’s face it – all management companies are not equal either in terms of pricing or qualifications. While rates are certainly an important consideration in selecting a management company, it should not be the only consideration. Qualified, knowledgeable managers and staff command a premium – especially in the current tight labor market for community managers. Excellent customer service also costs money – you know this because you pay \$6.00 for a cup of coffee without blinking an eye.

Is your management company accredited? Are its managers certified? Is that important? More than you can imagine. Think about your attorney. Is it important for them to have passed the bar? Would you hire them if they had not? The same applies to certifications provided by the California Association of Community Managers, such as the Certified Community Association Manager (CCAM). Having a certification will help to insure your manager has a firm grasp on what the industry is all about. Management



companies should hire qualified managers, and boards should demand to be managed by them.

Don't expect your management company or service providers to perform services without being compensated. Nothing is free. Period. Extra work should be clearly defined in the management contract and appropriate fees should be paid for services rendered. Boards should not ask the manager or the service provider to give them a discount or a better deal, just because they have the leverage to do so. If the management company is building discounts into their pricing, then they are cheating you every time you don't beg. Find companies you can trust and respect for their quality. Are they



that it can't pay for the level and quality of service that you desire. It's time to flip this old expression on its head and "pay for what you want to get."

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Credentials Offered by CACM

Certified Community Association Manager (CCAM) –

Demonstrates that the manager has the essential knowledge needed to manage a community association, including best business practices, California-specific law and ethical guidelines.

Community Association Financial Management (CAFM) –

For accounting professionals who service community associations, the CAFM communicates industry specific expertise.

Master of Community Association Management (MCAM)

– The pinnacle of achievement for mastery and expertise in California community management, the MCAM recognizes highly knowledgeable and experienced managers who have undergone an extremely rigorous program to advance their knowledge and expertise.

Specialty Certificates & Designations – In addition to the knowledge associated with the CCAM or MCAM, specialty certificates and designations recognize knowledge and expertise in a niche market such as High Rise, Large Scale, Portfolio and New Development. Adjunct designations are offered in Age-Restricted Active Adult and Commercial & Industrial CID Management.

Community Association Management Executive (CAMEx)

– For leaders with the highest level of decision making authority within a management business or community, the CAMEx designation acknowledges contributions to the industry and willingness to help shape its future.

Accredited Community Management Business (ACMB)

– The ACMB accreditation demonstrates that a management business adheres to the highest state-specific standards for professional business practices when managing community associations.

a little more expensive? Good. Your fees will fund the excellence they are injecting into your community.

What is a fair price? Now that is a tough question. The answer is going to vary from community to community based on amenities and services. It also is subject to negotiation, but don't fall into the trap of driving the price so low