

*The hiring of professional management, whether they be a direct employee of the association or a management firm, is an important task for a board of directors.*

**A**ccording to the California Department of Real Estate's Operating Cost Manual, "Community association management has become a highly technical profession requiring a trained practitioner educated in the state-specific laws managing California community associations." They go on to state, "many factors must be considered to facilitate the overall success of the community association." The lesson here? Never hire a firm just because it offers the lowest price. There's obviously a good reason why and the association may do itself and its members more harm than good.

Can you guess what is the one mistake board members make when hiring professional management? You may be thinking a low management fee. Pricing is surely a big factor and don't forget the old adage, "you get what you pay for." But this isn't the answer.

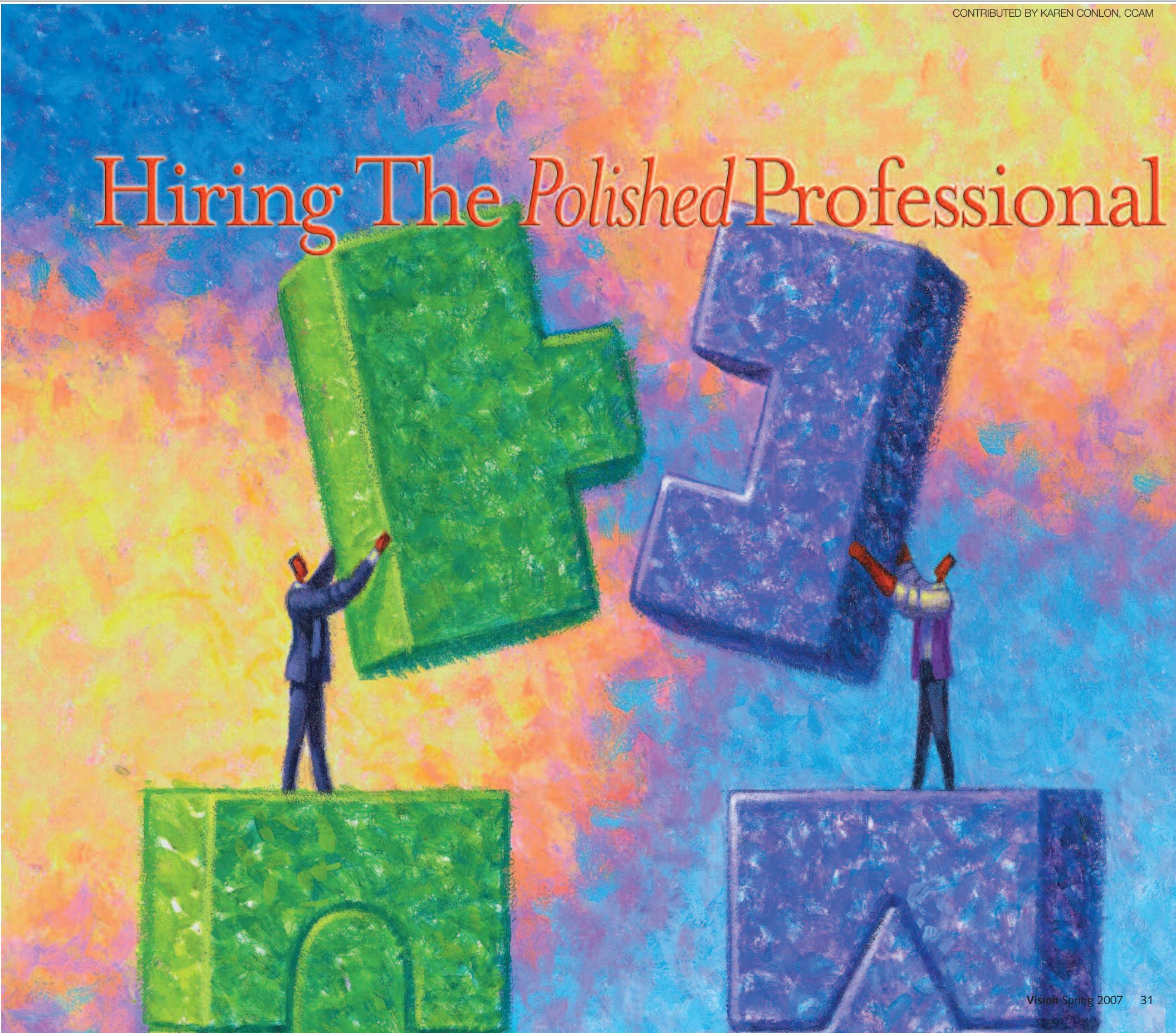
Boards typically *prescribe* the procedures and means (processes) by which they wish management to perform. Prescription of procedures and means limits comparisons of competing proposals to procedures and means – not results. The procedures and means may be familiar to the board but they have

little to do with success. They may even be repetitive of processes that were not satisfactory in the first place. Prescribing procedures and means fails to identify desired results. Conflicts will easily arise between management and the association if the board judges the results if they (the board) prescribe the procedures and means that management is entitled to employ.

The absolute best approach to use when hiring a professional management firm is to ensure the board can clearly articulate the desired and undesired results from management. If they cannot do so, it will be impossible and unfair to evaluate the results. Best practices for boards is to *judge results and not procedures*.

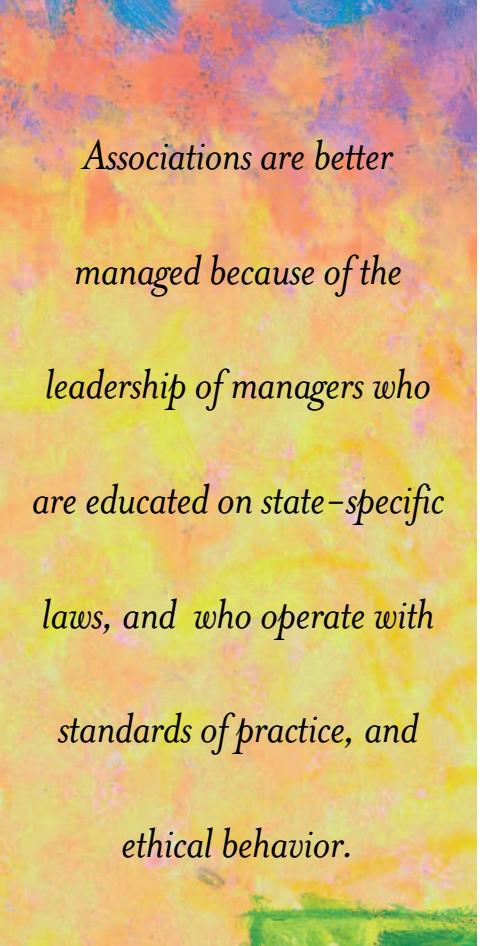
Here are some key elements board members should utilize when hiring a polished and professional community manager/firm:

- Clearly articulate the desired results expected from management
- Provide management with accurate facts about the association (i.e. current financial condition)
- Identify a succinct scope of services desired for the association



- Hire only those professionals with state-specific certification credentials. Anything less is an invitation to a less-than-qualified manager.
- Ensure management provides the association with certain disclosures required in California law
- Ask for and check references
- When feasible, do a site visit to the management firm
- Obtain background information about the firm, such as years in business, insurance coverage, licenses and certifications of the management company and their employees, etc.

Another key to hiring competent community association management professionals is the ever present aspect of education. Associations are better managed because of the leadership of managers who are educated on state-specific laws, and who operate with standards of practice, and ethical behavior. Boards will also make better decisions because educated and certified managers provide coordination



and recommendations in an atmosphere of mutual trust and respect.

There are essential elements to any job function but one of the more important essentials of hiring a polished and successful professional community manager is the ability to effectively and positively interface with people. What kinds of communications does the board want for their owners? Does management produce them in a timely and positive manner?

It has been proven that community management requires as much expertise in people management as it does in managing the assets of the community association. Managing diverse personalities can be challenging and requires a positive approach that must be utilized to succeed in any business environment. Whatever level of management services is selected for the association, clearly defined tasks and responsibilities will contribute to the overall successful management of the community.



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