

A New Approach to Community Management, Annual CEO Forecast for 2002

By Stephen Bupp, PCAM

The future of the community management industry, as well as many other industries, may reflect a different focus after the events of September 11, 2001. People are reevaluating their priorities and I think that the quality of life should be given more consideration when company owners and staff members make decisions in the future.

When I was asked to write this CEO forecast, I read the previous forecasts written by Steve Harvill, Rick Leeds and Mike Shehadi. The following themes came through:

- Sell *quality* management, not low-fee management;
- Acknowledge that human dynamics is the field in which we work;
- Find a way for managers and staff to be respected;
- Pay higher wages to managers and staff;
- Avoid bidding wars;
- Pay community managers equivalent dollars to other real estate management professions;
- Recognize that we are social engineers—not just landscape specialists, financial experts, budget preparers with extensive knowledge of painting and picking up trash;
- Protect managers and staff from burnout, frustration, cynicism, and undue stress.


All of these challenges still need to be addressed. I believe, however, that our industry's approach to dealing with these challenges needs to be adjusted. I sat on a panel at a CAI conference in 1984 that dealt with the future size and success of management companies. My colleague on the panel espoused the position that small management companies would not survive, and that large companies with sophisticated systems

operating all over the country would control most of the community management business. So was that the goal? More business, more money? Seventeen years later, there are some large management firms, but many more small firms still serving local markets, and doing a great job. I think the future may challenge both large and small firm CEO's to make corporate decisions that give more credence to the quality of life of their staff, while still meeting corporate goals.

One thing I have seen, regardless of company size, is an exodus of *good* firms and *good* managers from this business. Why? When people in this business really evaluate their quality of life, many split for a new field. Don't get me wrong, the community management business has good points, (I wouldn't have stayed so long if it didn't). It's not boring, it is challenging, it is one of a few fields in which a person can see a product from start to finish, and it is more recession-proof than other real estate businesses... but it sure can be stressful. Is it realistic for a manager to be out 12 nights a month? Work 60 hours a week? Take emergency calls 24 hours a day on top of that? Be ridiculed, challenged, debated, and argued with when they sit in a board meeting? And while they undergo all that stress, the management company they work for is growing in number of homes under contract...more business equals more stress. If the manager has little consistent staff support since turnover is high and it is difficult to hire experienced employees, the problems are overwhelming and many managers leave the field.

Maybe the focus should swing from growing our companies to better serving the clients that we have with more satisfied, stable managers and staff. Strive to provide managers with consistent staff support so that he/she can work closely with that staff so they can share and cover for each other and deal with the difficult parts of this business together. Safety in numbers...if several staff members share the problem, it is no longer unmanageable. A manager must get rest and cannot go out 12 nights a month for meetings. All staff members need time to connect with their family, to have a good life outside of work. They need to see their children's soccer games, coach their teams, attend the school play, visit their sick relative or take a class at the community college. Business owners need to consider whether gaining additional homes under contract is creating a profit, or just cash flow... There is a difference. If the employees are less overwhelmed and stressed, wouldn't they be better able to serve their clients, and wouldn't that result in increased profit, stability and success for the company?

Associations also need to rethink things by doing a different kind of evaluation of management companies. Communities must look all the way to the bottom of their financial statement and see if higher priced management is really higher priced? When a manager is stressed, overworked, and overextended, are all the financial decisions made by that manager the best in the long run for the community? If that manager had a little more time and was less stressed, would their knowledge and experience show through? Again, think quality.

So how does the business change? One person, one company, one community at a time. CEO's need to start making decisions that consider their employees' *quality of life* if they want their company to provide *quality service* and be able to adequately achieve the goals of our industry; these issues are not mutually exclusive. 

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