

A publication of Michigan REALTORS®



MICHIGANREALTOR®

PICKING A great staff TAKES WORK



PLUS: Using the iPad

Make Sales Easier Coaching & Accountability



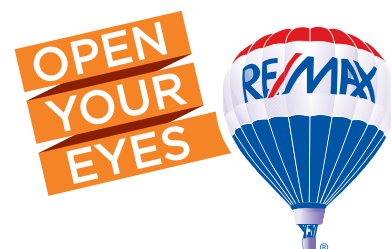


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Centennial Hashtag Contest

In March 2015, Michigan Realtors® will celebrate 100 years in the real estate industry. We need a hashtag to help us document the Centennial Celebration and many highlights throughout our great history. Now through August 31st, Michigan Realtors® members have the chance to enter their hashtag idea. The top 5 entries will be featured in an online voting poll with the winner announced during the Convention & Expo this October in Grand Rapids. To enter, visit www.mirealtors.com/Education/Centennial

Centennial Saturdays

Join us each Saturday on www.facebook.com/mirealtors as we share a photo from our association's great history. Do you have a picture you would like to submit for consideration on Centennial Saturdays? Email us at centennial@mirealtors.com to enter. Please include a year or timeframe, photo description and keep images under 2MB in size. Check back each weekend for a new photo and memory.

It's About Time

One cannot help but notice that this is an election year and the season is upon us with all the billboards, radio advertisements, TV endorsements, literature drops, yard signs and the somewhat pesky dinnertime automated phone calls. It is all a process to grab our attention and to encourage us to vote; it's about time.

It's an important election year and it is critical for Realtors® to speak with one voice about the stability that the real estate market brings to our communities. From City Hall to the State House to the U.S. Capitol, elected officials will make decisions that have an impact on our profession and those we serve. It's time to support candidates with campaigns that protect the American Dream of homeownership and real estate investment. Our exceptional nation succeeds because of the hopes and dreams of all those who aspire to a better life for themselves, their families and their communities. Realtors® play a significant role in building strong communities.

One of the instrumental ways to be the "Voice of Real Estate" is through our government affairs effort at the local, state and national level. The local associations have dedicated time through their Government and Legislative Affairs Committees interviewing candidates running for political offices. These time-consuming interviews are essential in determining the possibility of Realtor® endorsement and/or financial support. Although the interview process is an important component for learning the candidate's political views regarding our industry, it is an opportunity for Realtors® to educate the candidate on our important issues facing the real estate industry and our profession.

At the state level, Michigan Realtors® have the dedicated leadership team in the Public Policy Committee. Committee members are responsible for reviewing current political issues and legislative bills, then making decisions in support or opposition on behalf of the Realtor® membership. The time commitment for vetting the important issues is vital to keeping the membership informed. RPAC funds are used to elect pro-Realtor® candidates at the federal, state, and local levels, while also advocating for sound policy related to the free enterprise system and the rights to own, use and transfer private property. Contributing to RPAC is an investment in our profession and now it the time to do so.

At the national level, the success of the Realtor® Party has been crucial for seizing the

moment through our government affairs and legislative leadership. Together, as the Realtor® Party, we can make partisan politics a thing of the past and create our own brand of leadership. In just a short amount of time, the Realtor® Party has been a leader in building the bipartisan relationships necessary on both sides of the aisle in jurisdictions in every state.

As NAR President Steve Brown would say; "**the time is now**" for local, state and national levels to be mindful of the candidates who are sensitive to our industry issues. A few of the important issues;

- *Protecting real estate tax provisions*
- *Strengthening the Federal Housing Administration for the long-term*
- *Ensuring a strong secondary mortgage market*
- *Enhancing Commercial Credit availability*
- *Impacting fees that affect our industry*
- *Balanced budgets and sustainable government spending*
- *Taxation reforms*
- *Personal Property Tax elimination*

It is imperative and time for each of us to be informed on the issues, learn about the candidates and exercise our right to vote.

Be assured that time waits for no one....

To realize the value of **ONE MONTH**, ask a Mother who has given birth to a premature baby.

To realize the value of **ONE WEEK**, ask the editor of a weekly newspaper.

To realize the value of **ONE HOUR**, ask a person in the waiting room awaiting their prognosis from the oncologist.

To realize the value of **ONE MINUTE**, ask the person who has missed a train, bus or plane.

To realize the value of **ONE SECOND**, ask a person who has survived an accident.

To realize the value of **ONE MILLISECOND**, ask the person who has won a silver medal in the Olympics.

One week, one hour, one minute, one second and one millisecond make a difference, and so does one Vote.

It's about time. ●

02



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COMING EVENTS

August 27-28, 2014

Go Grand With Knowledge

Grand Hotel, Mackinac Island

October 1-3, 2014

Convention & Expo

Amway Grand Plaza Hotel & DeVos Place, Grand Rapids

November 7-10, 2014

REALTORS® Conference & Expo

New Orleans, LA

June 7-9, 2015

Michigan Realtors® Centennial Celebration

Grand Hotel, Mackinac Island

2014 Michigan Realtors® DISTRICT DIRECTOR ELECTIONS – Remember to Vote

There are six districts holding elections this year: 1, 4, 6, 9, 11 and 14. Voting will begin on September 3, 2014, (30 days from the Delegate Body Meeting) and voting concludes at 11:59 p.m. October 2, 2014.

Visit <http://www.mirealtors.com/District-Director-Elections>

Find Michigan Realtors® on your favorite social networking sites:



NAR REALTOR® Action Center App

Get the latest political news and headlines on issues affecting REALTORS® and take action on a Call for Action right from your phone.

Go to www.realtoractioncenter.com/realtor-party for details, or scan the QR Code.

Primary Election Edition

I work in politics. I've worked on campaigns. I've put up yard signs, knocked on doors, marched in parades, and labeled my fair share of mail. That does not mean that I find all the accoutrements accompanying election season any more tolerable than do the rest of you. The reason why all of these things exist (along with robo-calls and mud-slinging campaigns) is because they work in getting people's attention. Look, I just spent my first paragraph talking about them, so I must have noticed.

As frustrating as all of this can be, it is still important to vote. It is your right as an American to pick the people who will represent you in government. Whether we like to admit it, government affects our lives from birth (sometimes before you're born) until death (and sometimes until well after you're dead and gone). That's why I encourage you to vote, every chance you get. It can be enticing to sit back and believe it's all predetermined, or to vote "none of the above" like in the 1980's film version of *Brewster's Millions*. However, you should get engaged in the democratic process. Go out and learn about the issues and the candidates, and vote.

I know that people are busy and that work and family can consume every waking moment. The good news for us Realtors® is that we have a very engaged membership that strives to keep others informed. Our volunteer membership at the local associations is engaged in the political process through candidate interviews and the Realtor® Political Action Committee, or RPAC. They have taken some of the guess work out of voting by interviewing candidates for office at every level of government on issues important to Realtors®.

Remember, I said issues "important to Realtors®," not necessarily issues important to you as an individual. Admittedly, you are a Realtor®, but that is only part of what makes you unique. I will be clear, RPAC, and the candidate endorsement process, is not telling you how to vote. You will cast your vote based on your own values, morals, and perceptions. But for those of us who say "we're too busy," the RPAC endorsement process is an important piece of education to have before you enter the voting booth. It highlights the candidates who understand and respect our association, profession, and the important role real estate plays in the economy and people's lives. After all, you can't deny that government has an impact on our collective bottom lines.

RPAC Candidate Interviews

First off, thank you to all of the Realtors® and association staff that put in time to set up candidate interviews and screening processes. With your help and dedication, we are creating a stronger and better-educated association.

Most local associations hold face-to-face interviews with candidates for office. We have local association interview panels meeting with candidates from the township level all the way up to the United States Congress. For many seeking public office, these interviews are the first touch they get with our association. This is where the candidates learn what it means to be a Realtor® and not just a licensee. In my job lobbying state government on behalf of Michigan Realtors®, I can tell you that these first meetings leave lasting impressions.

This year candidates fielded questions from Realtors® in your area related to Michigan's economic recovery, access to public tax records, sales tax on commissions, property taxes and land banks, to name a few. After each interview, the panel weighs several factors including the candidate's voting record (if they are an incumbent seeking re-election), their overall philosophy on the role of government in real estate related matters, willingness to work with us on important policy issues and the general likelihood of being elected in November.

The selection committees within your local (government affairs committee, etc.) then make their recommendations of whom to support and how much RPAC money to contribute to their campaigns. These recommendations are forwarded to the local Board of Directors, who, after approving or rejecting the committees' choices, sends them off to the state RPAC Trustees for consideration, approval and disbursement of funds. Most of the time, the endorsements carry through to the general election and a second interview is not needed. However, on the somewhat rare occasions when a local association picks a candidate who loses in the primary, they are encouraged to meet with the winner before the general election.

I will tell you, no one is going to agree with 100% of the endorsements that are made in these elections. That is the beauty of politics, no one agrees with everyone all of the time. What is important to remember is that those candidates



worthy of your support know and understand your business and realize that the decisions they make impact you, and that you are watching. So if you don't agree with the endorsements, submit your name for the interview panel next time and join in on the process; you may just be surprised.

Vote 'YES' on Proposal 1 for Safe and Secure Communities

The Michigan Realtors® don't just vet candidates when elections roll around, they also vet ballot proposals that impact your bottom line. To give a bit of background, reforming Michigan's outdated tax structure has been a critical issue for Governor Snyder since he took office. The Michigan Realtors® played a vital role in working with the Governor and the legislature for elimination of the Michigan Business Tax (MBT) and the long awaited Proposal 1 – the phase-out and eventual elimination of the Personal Property Tax (PPT).

On the August 5th Primary ballot, Proposal 1 will be the lynchpin in the elimination of the PPT for Michigan's small businesses, while creating a more stable funding system to pay for important local community services. By voting 'YES' on Proposal 1, we continue to make our state and communities attractive to job growth opportunities and investment.

In 2012, the legislature passed the Personal Property Tax (PPT) phase-out. Then earlier

this year, the legislature passed a package of bills to help local governments recoup projected losses from the elimination of the PPT on industrial machinery and small businesses by providing 100% reimbursement to local units of government. This established reliable funding systems for Michigan communities to pay for police, fire, ambulances, jails, schools, libraries, and other services beginning in 2016. In addition, the small business exemption remains in place. This exemption is crucial to many of our real estate brokerages in Michigan. Voting Yes on Proposal 1 secures that elimination, along with the funding reimbursement mechanisms for local units of government.

The Michigan Realtors® Public Policy committee is highly supportive of Proposal 1 and believes it creates additional incentives to attract and retain businesses and manufacturing companies in Michigan. Our association has joined a coalition of many other businesses and interest groups to spread the word that this plan creates a competitive tax structure which will strengthen Michigan's economy while stabilizing the funding system of Michigan communities.

To find out more about the candidates and issues supported by The Michigan Realtors® please visit our Web site www.mirealtors.com. ●



...for those of us who say “we’re too busy,” the RPAC endorsement process is an important piece of education to have before you enter the voting booth.



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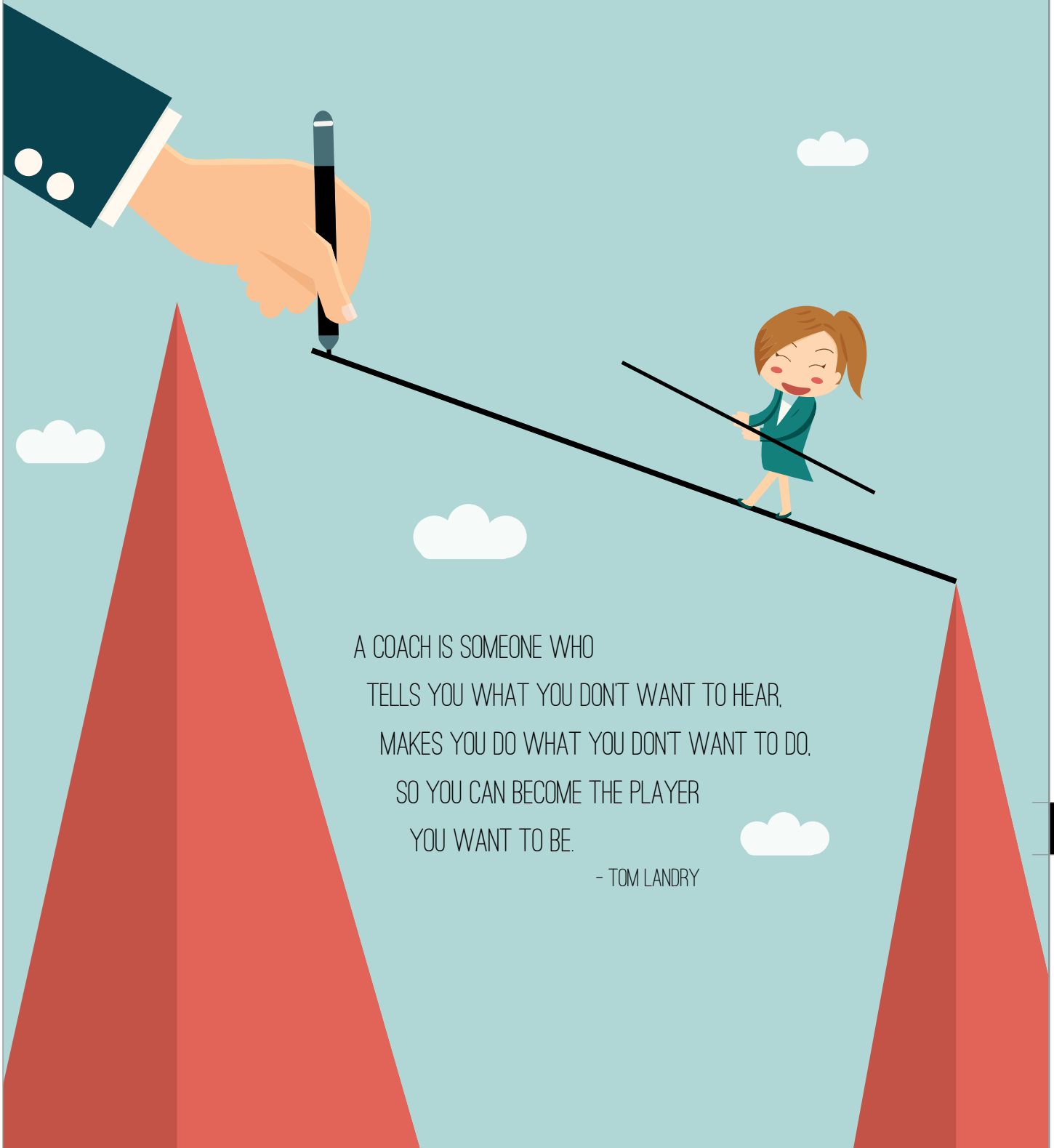
Are You Following?



MICHIGAN REALTORS®


COACHING AND ACCOUNTABILITY

BY TOM KOTZIAN



A COACH IS SOMEONE WHO
TELLS YOU WHAT YOU DON'T WANT TO HEAR,
MAKES YOU DO WHAT YOU DON'T WANT TO DO,
SO YOU CAN BECOME THE PLAYER
YOU WANT TO BE.

- TOM LANDRY



Every athlete and entertainer, every business leader and Realtor® who wants to reach the top of their profession, works closely with a coach. Coaching has dramatically increased the productivity, profitability and professional success of Realtors® across the country. Coaching can take many forms. Basically, it is a method of training, directing or instructing individuals or groups to perform a certain task, accomplish a specific goal or develop a specialized skill. Coaches use many methods to accomplish their results, including motivation, workshops, skill clinics, mastermind groups or supervised practice. Effective coaching involves monitoring the performance of the skill or task, tracking the numbers and giving feedback for improvement. The repetition of this cycle on a periodic basis is called “accountability.”

Thus we begin the discussion of coaching and accountability. In creating vision, you must have a clear objective of what you want to achieve with those whom you coach. What do you want the end result to be? How many additional transactions would your agents close each year if they met with you every week to review, in detail, their business generating activities for the prior week? What would this do to your bottom line?

Coaching is a very rewarding job because you have the ability to change lives through direction and guidance. It builds a bond no one can break and establishes a culture of energy and income-producing activities. It takes you beyond the rah-rah, pat on the back and trophy distribution style of management. It builds confidence in your agents through knowledge and accomplishment and permanently alters their performance and production.

The job of a good coach is to **EDUCATE**, **MOTIVATE** and **CONFRONT**.

EDUCATE: *teach it...understand it.*

MOTIVATE: *create a motive to take action that will change a behavior...must be excited...enthusiastic and energized.*

CONFRONT: *the ability to ask a tough question with a positive attitude. Don't be afraid to ask your agents what's going on. "What have you been doing and why?" Agents want leadership and it's your job to provide it. Unfortunately, many managers are not willing to confront their agents. Question: If you tell them what to do and they succeed, would they really be upset or quit? Ask yourself if your agents really have the desire to succeed and if you have the desire to help them? And, is it at the same level?*

“EFFECTIVE COACHING INVOLVES MONITORING THE PERFORMANCE OF THE SKILL OR TASK, TRACKING THE NUMBERS AND GIVING FEEDBACK FOR IMPROVEMENT. THE REPETITION OF THIS CYCLE ON A PERIODIC BASIS IS CALLED “ACCOUNTABILITY.”

Don't worry, everyone will experience a slump. Coaching shortens the slump and down time. There are eight specific steps to a great coaching session.

1. ASK GREAT QUESTIONS

2. LISTEN

3. COLLECT AND KNOW THEIR NUMBERS

4. ASSIGN HOMEWORK

5. CHECK ON THE HOMEWORK

6. HAVE A GREAT TOPIC TO DISCUSS

7. COACH TO THEIR PERSONALITY STYLE

8. HOLD THEM ACCOUNTABLE

Webster's dictionary defines "Coaching" as the act of training or providing private instruction. "Accountability" is defined as the obligation to report or justify. Managers have dual obligations. Number one is to teach and instruct. Number two is to make sure the plan is followed by tracking the results.

A good ten point system for coaching should look like the following:

1. Decide who you are going to coach and hold accountable.
2. Decide how often you are going to meet with your agents – weekly, bi-weekly, monthly or quarterly.
3. Help the agent establish a realistic goal that has actual value and meaning.
 - a. *Why do they want the goal?*
 - b. *What will happen if they achieve it?*
 - c. *What will happen if they don't achieve it?*
 - d. *Is the goal realistic based on last year's production, work habits and skill level?*
4. Write a business plan for achieving their goal with numbers, activities, timetables and objectives.
5. Start with a review (e.g., last year, quarterly or mid-year).

6. Develop a simple, weekly schedule of income producing activities which matches the goal (e.g., prospecting).
7. Meet with the agent on a regular basis (weekly or bi-weekly) to make sure the schedule is being followed and the activities carried out.
8. Coach to the level of the agent... High School (teach the fundamentals)... College (refine the skills and motivate)... Professional (be in the face of each agent, holding their feet to fire to be at the top of their game every day). Know the level of your agents (team).
9. Have a standard format for your sessions with many questions. Meetings should last only 15-20 minutes and be limited to the topics in which you hold them accountable. You are their "business coach." Stay on real estate related topics only. You are not a psychotherapist and some agents will try to turn the conversation away from business performance to justify their lack of performance.

A great coach named Scotty Bowman came to the Detroit Red Wings with one sole purpose in mind. Win the Stanley Cup! He let nothing else get in his way of that goal. He only started the players in each game who had the best practice sessions during the week. It didn't matter if he said "Hi" to his players walking past them in the hall or not. They all knew what his focus was and what he expected of them. Personal or family issues made no difference. The Stanley Cup was the goal. He didn't care if his players liked him or not, but he did care that they respected him. Those who didn't, quickly found themselves playing for other teams.

Scotty Bowman celebrated on the ice with his players when they won the Cup. He had coached every one of them to a level they had never experienced. Scotty's coaching passion for his players' success can be summed up in this quote from Indiana basketball coach, Bobby Knight:

"The reason it's not easy for you to play for me, is because I want you to be better even more than 'you' want to be better."

10. Schedule your meetings in "blocks" of time (e.g., Monday and Wednesday mornings). Don't scatter your coaching sessions throughout the week. You are more effective when you get into a "zone" and stay focused on the same activity.

The most important thing you can do as a coach is to 'encourage'. It's not necessary that you have all the answers. Statements that may help in this area are, "I will brainstorm it with you," or "Let's figure out the answer together." Remember, it's not the problem you will face as a coach that's the issue; it's the solution and reaction. A great question which often opens up a meaningful coaching session is, "What's the one thing you're hiding from everyone that is holding you back from higher production?" Treat your agents with importance and they will do important things. Coaching is the key that will unlock their potential and take them to a higher level. In your consideration of starting a business coaching program for your agents, ask yourself this question... what hurts more, the pain of same or the pain of change? The choice is yours. ●



The following sample coaching scripts are available from the author by visiting <http://www.mirealtors.com/Business-Tools/Publications> 1. Coaching Questions for a First Meeting, 2. Weekly Coaching Session Script, 3. Coaching Scripts & Phrases



FIVE REASONS TO UTILIZE AN IPAD IN YOUR BUSINESS

BY JUANITA MCDOWELL

Do you want a competitive advantage for your real estate business? If used properly, an iPad can give you that edge over the competition by making the home buying process more interactive and seamless.

To appreciate an iPad's full value in the life of a real estate agent, let's first consider the fact that every potential buyer wants to find the perfect place to live. Agents know that the search involves more than just looking for a house. It's about finding a place to grow a family, to make dreams manifest, to connect with a community, to retire and the list goes on.

An agent, occupying the driver's seat of this process, recognizes the importance of a smooth ride, from the initial consultation to the closing. This gives the client something to later brag about to family, co-workers and friends. Translation: a referral is waiting in the wings at the right time.

With the help of the iPad and a few key applications from the App Store, an agent can successfully steer around several bumps in the road.

Let's discuss five key ways that an iPad can be utilized by real estate agents.

INCREASE PRODUCTIVITY

It's hard enough to keep up with one client's preferences, concerns and issues, so imagine managing several clients simultaneously without technology. The iPad with the Evernote app loaded is able to keep your productivity, memory and organization on point. With Evernote you can create a digital filing cabinet, complete with notebooks and notes. Within each note you can type to-do lists, capture photos, record conversations ("What did you think?") and later add contracts, business cards and mortgage calculator screenshots. The best part: everything is completely searchable from your PC, iPad or smartphone.

MANAGE TRANSACTIONS

Using your iPad and apps, such as Cartavi from DocuSign, you can create a "Transaction Room" online and invite all relevant parties to join, including your buyer and seller, closing attorney and loan officer. One of the slickest features of this app is the ability to receive SMS and email alerts when someone views a document.

WORKING WITH BUYERS AND SELLERS

There are several apps that you should consider to help you work with your buyers and sellers. Here are a few:

- **Homesnap** (Free): Snap a picture of a home and get details and info instantly.
- **Sketch** (Free): The ideal sketchpad on your iPad and so much more. Use it to create maps and write on images, among other features.
- **Slideshark** (Free): No need to tote a big binder to your next listing appointment. With the help of this app, you can deliver a dynamic listing presentation on your iPad, complete with fonts, colors, graphics, animations, videos and hyperlinks intact.
- **Online Desktop** (Free): This app allows you to use the warm and familiar Microsoft programs on your iPad. Use the Excel version for showcasing your seller's net sheet at your next listing appointment.

IMPROVE RESPONSE TIME

Time is everything when it comes to a real estate deal. Imagine this: an agent arrives at a hot new listing that she knows will not be on the market for any length of time. Her clients want the house. The agent whips out her iPad and retrieves a contract from one of her favorite apps. Before they leave the house, the agent has submitted an offer. Before they drive away, the offer is accepted. With the aid of apps like PDF Expert and Dropbox you can pull this off.

TAKING CARE OF THE SMALL BUT IMPORTANT STUFF

Agents can use their iPads to easily handle small but critical matters. Saying "thank you" is important when someone gives you a referral or goes beyond the call of duty. Every now and then words are not enough. Apps like ThankYouPro allow you to express your gratitude by sending a sturdy "thank you" card right from your iPad or iPhone. The app is free but the cost of the card and mailing is \$2.99. Now you can also add gift cards and other greeting cards.

Sure, there's a boatload of apps to consider, but you should not download apps too quickly. Ask yourself if the app will honestly help you facilitate a task that you are currently doing or one that you need to do. Avoid what I call "the new app itch," a condition that users catch when someone raves about an app. Months later, you stare at the app icon and can barely remember what it does.

Instead, focus on keeping your business goals top of mind. This will motivate you to invest time in learning apps that are key to your success – apps that will save time, streamline your operation, lower costs and increase your overall profitability. As such you will always keep a leg up on your competition. ●



Juanita McDowell is CEO of InMotion Consulting, LLC, a training firm that trains over a thousand agents and entrepreneurs each year. In 2013, Juanita was named "Instructor of the Year" by the Georgia Real Estate Educators Association. She has designed more than 50 live and online courses in the areas of marketing, social media and mobile technology, including her latest course, "Evernote and the Paperless Agent." To learn more, visit www.juanitamcdowell.com.



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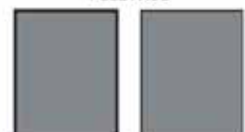


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A photograph of two women in a kitchen. The woman on the left, with short dark hair, wears a light purple button-down shirt and is leaning forward, looking up at the other woman. The woman on the right has curly brown hair with a silver hair clip, wears a gold sequined dress with a large silver dollar sign brooch, and holds a bouquet of purple flowers. They are in a kitchen with wooden cabinets and curtains featuring a repeating pattern of coffee cups and the word 'cafe'.

*After a while, an apartment
becomes a compartment.*

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Hiring the **Best People** in Six Steps

BY RICH LEVIN, MASTER PRODUCTIVITY COACH

Most Agents find hiring Real Estate assistants challenging. There is a process that provides the highest possibility that an agent can hire the best.

step 1 Job Profile – Skills & Style

An Agent is destined to hire badly unless he or she is clear on the job profile. That is, the skills that will be required and personal style that is best suited for the job.

Skills: Will the job require computer skills, (what programs or applications), organizational skills, graphic design skills, communication skills, and/or selling ability?

Personal Style: Will the job require someone that is great with people, well organized, results oriented, a team player or a team leader?

The way to determine the required skills and style is by writing a list of the tasks that will be assigned to the Assistant. Then review the list and document the skills and style needed and best suited to the tasks. Also, have a trusted spouse, broker

or coach review it. Discuss with these trusted advisors the appropriate skills and style for the specific responsibilities and tasks of the position. This creates the job profile.

PERSONAL STYLE: DISC ASSESSMENTS

To understand and determine the best personal style, many organizations use a DISC assessment. There are four basic personal styles.

- 1. Results Orientation**
- 2. People Orientation**
- 3. Team and Trust Orientation**
- 4. Process Orientation**

Each of these has advantages and disadvantage that make them best suited for specific job responsibilities.

The Agent may want all four orientations. Unfortunately human beings are not made that way. A wrench may be used as a hammer, but using the wrench as a hammer does the job poorly and ruins the wrench. A human being's make-up is appropriate for certain jobs and not for others. Mismatching the wrong style to the job frustrates both the employer and employee.

THE FIRST STEP

So, the first step is to create the job profile. List the roles, work, tasks, and responsibilities. Then deduce the skills needed and the style best suited for the work, tasks, and responsibilities.

WARNING: THE MOST COMMON AND COSTLY MISTAKES

Do not hire out of convenience. Follow this entire process.

Do not hire because someone simply because they are available, are recommended or even highly recommended, or because they are related to the Agent or a friend.

There is always a temptation to hire this way because it is easy. Most often it is a costly mistake.

The available or recommended person might be a good fit so the Agent may end up hiring them. They need to go through the entire process along with the other candidates.

This ensures the Agent that he or she has the right person and it inspires the Assistant to have greater respect for the Agent and the job.



step 2 Locating the Best People

It is best for the Agent to tell everyone they trust that they are looking for an Assistant; their clients, broker, other agents, and friends. Remember, the Agent will still have everyone go through this entire process. In addition, advertise for the position in local publications and online.

Use the job profile described earlier to write an effective ad for the position. Here is an example.

Administrative Assistant: 15 – 20 hrs/wk \$10 – \$15hr + bonus, high level computer skills & highly organized with ability to multitask, coordinate projects and work independently. Email resume to:

Or a simpler version:

Administrative Assistant: 10 – 15 hrs/wk \$10 – \$15hr + bonus, very computer literate, highly organized, excellent people skills and able to work independently. Email resume to:

The simpler the ad, the more responses you will get. There are a lot of people looking for this type of position, so put enough detail in the ad to pre-qualify the candidates.

Notice that there is no phone number. The Agent wants a candidate for an admin position to be able to e-mail a high quality resumé. Also, the Agent does not have to respond to resumé's that do not interest them.

step 3 Reviewing Resumes

What is a quality resumé? It is neat and well written. It represents the work product of the candidate. So, it must be a document that the agent would be pleased to represent them. The work experience that indicates the skills required. There is consistency of employment and longevity previous jobs that shows reliability.

step 4 The Phone Interview

Many agents ignore this step or simply haven't considered it. It is a huge time saver and it provides valuable information. It is brief. It is an effective and efficient method to determine whether to schedule an interview in person.

The phone interview is based on two questions. One question is a litmus test that asks specifically about a key required skill or ability. For example; if working independently is necessary, the question is, "Tell me about the previous job that required you to work most independently."

The second question is specific to the resume. Perhaps; "There is a six month gap between jobs. Please tell me why."

These two questions open the conversation in which the Agent listens for two things. Obviously he or she listens to the answers. As importantly, the Agent is determining if this is



“Do not hire because someone simply because they are available, are recommended or even highly recommended, or because they are related to the Agent or a friend.”

the voice, if this is the demeanor that he or she wants representing them on the phone in their business.

For the purpose of fair employment, the Agent must be sure to ask the same questions on each phone interview and to make his or her decision completely based on legal and ethical considerations.

The conversation closes with the comment that the Agent will be in touch if they are interested in a personal interview. If the candidate is obviously strong, the Agent can schedule an interview on the phone.

When the interview is scheduled, the Agent explains that a DISC assessment will be sent to them and needs to be completed before the interview. Agents can search online for companies that provide DISC assessments or contact our office for further information on DISC assessments. There is a fee. A link is sent to them by e-mail. The Agent will have the result within minutes of their completing it.

The DISC is not a strict de-

terminant of qualification for the job. It is a guide to give insight into the personal style and likely tendencies of the candidate.

step 5 First Personal Interview

After the phone interviews, there are normally less than five candidates chosen for live interviews; often only one, two or three.

An hour is scheduled for each live interview. It is wise and necessary. The Agent is going to work with this person for thousands of hours. In a very real way, the extent of the Agent's success will rely on this person's work. It is important to take the time to ensure that the best candidate is chosen.

Create a complete list of interview questions. It is best to ask the same question in different ways. Include real life situational questions that pose actual situations the Assistant is likely to encounter. Include challenging and difficult situations; for

example when faced with a difficult client or making a difficult choice.

The interview must be long enough, with redundant questions, so that the Agent is likely to experience what the person is really going to be like to work with day after day and at the end of a challenging day.

WARNING: DON'T ASK. DON'T TELL.

Be sure most of the time is spent with the candidate answering your questions. Do not talk much nor spend much time answering their questions until and unless you plan to hire them.

Another common and costly error, particularly among salespeople hiring assistants is to “sell” the position to the candidate. The result is that the Agent discloses the characteristics and skills for which they are looking, which corrupts the interview.

PREPARING THE CANDIDATE

In the first interview, once the Agent determines that they may want to hire the candidate, the Agent then describes the parts of the job that may

be particularly challenging, the “bad parts.” The Agent asks for their agreement that they can and will handle each “bad part” and handle them well.

One example that I use personally is to say, “I want you to know that I have fired two previous assistants and it was my fault both times. I appear like a nice guy. And, I am a nice guy as long as the work is done well. I am even nice the first time mistakes are made.

But I have very little patience for repeated mistakes. In the past, I have not expressed this clearly enough. So, I would tolerate mistakes even say it was OK when it wasn’t. Then I’d get fed up, just blow up and fire the person. I made a promise to myself that I wouldn’t make that mistake again. So, even the smallest mistakes that bother me even a little I will point out as soon as I see the error. That is the healthiest way to work and ensure a long successful relationship. Can you handle that?”

Also, in the first interview prepare the candidate. Let them know that their job will change. It will change as the Agent’s business grows; as the market or the myriad of other things

from forms to laws change. Explain that their job will be exciting and dynamic, seldom boring and often challenging. Then, again ask whether they can accept and embrace that.

Upon hearing or reading this, some Agents think...who would ever want this job? The answer is; the person who will be very good at it. An Agent’s livelihood depends on this Assistant. Even if this Assistant only works ten hours a week, the Agent’s income depends on quality work.

step 6 Second Interview

It is best to schedule a second interview. If you feel very strongly about the candidate, let them know that you feel it is a good match. Get their agreement. Discuss wages and benefits. Then schedule to meet them the next day so that both the Agent and the candidate can consider other questions or concerns.

At the second interview, finalize compensation, benefits, if any, holidays and expectations create a list of “rules.” This may include; “Create business at

every opportunity on the job and off,” “Control expenses,” “Under promise and over perform,” “Take responsibility for errors,” “Never talk negatively about the Agent to anyone except the Agent on the job or off” and “Always look for new opportunities.”

This second interview is the time for the Agent to set the attitude, dress, behavior and other “soft” rules of the job.

THE FINAL STEPS

Training, supervision, and motivation are obviously critical. These final steps are the subject of a future article. ●



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Economic Outlook: **EASIFY!**

BY TERRY W. WATSON

Your economic outlook will be in direct proportion to the difficulty level and the effort that is required of the people with whom you do business. If you make things unnecessarily hard, the public will go elsewhere. Your goal for the coming year should be to NOT make people think. Yes I said, NOT make people think. We want effortless.

The public absolutely detests people and companies who make them think and participate in unnecessary processes. How do you feel about calling your local telephone company? I would rather be pecked to death by chickens than call mine. I know I am going to be transferred 5 or 6 times. Every person is going to ask me the EXACT same question as if I have called a different company on a different day. I have caller ID, why don't they?

This exercise will take between thirty minutes to an hour that I have definitely not budgeted for. I almost have to take St. Johns Wort before I call. The mere thought of calling them raises my blood pressure. Why? Because they have a PHD in the unnecessary. Does that box really need to be checked for the sake of checking a box? Immediately, look at every process you require of the public and ask yourself, how can I make this easier? How can I reduce the steps? How can I opt out of the irrelevant?

Now is time to do an Easify® study of your business.

Easify®: To reduce the steps, eliminate the unnecessary and reduce the time required for a given activity. To drastically reduce decision-making stress and effort. In short, don't make people think!

The shortest distance between obscene profits and financial embarrassment are rooted in the ratio of thought vs. effort. There is one exception, If you offer an absolutely must have, unique service, all bets are off. If they can go elsewhere and get the same service or

product with less toil, they will leave you like you have garlic breath.

The companies that Easify® the process are not just profitable, they tend to be profitable even when other companies are not, regardless of economic fluctuations. Think Apple, Redbox, Zappos, Amazon, Southwest Airlines, Ritz Carlton, Costco, Hammacher Schlemmer, Nordstrom's, Whole Foods to name a few. Why do I buy my books at Amazon? Because it's easy! Why do I shop at Nordstrom's, Hammacher Schlemmer and Costco? Because returning an item is a NON-event. The public craves people who reduce the thought and effort of a decision-making process.

Is your goal to make your income go vertical in the coming year? If so, do an Easify® study on your business and deconstruct every process, webpage, marketing piece and requirement. Again, ask yourself how can I make this easier, reduce the steps and structure this so people don't have to think?

For example, is your phone number on the right hand corner of every page on your website? Or do you make people look for a contact button and then reward contact information after they go on an Easter egg hunt? Does your Facebook homepage have a phone number on it? My research says no. What if I click the "About" button on your Facebook page; my research says probably not? Does your website have a sitemap that displays an index so prospects can find the page they are looking for quickly and effortlessly? When you meet with a prospect, do you immediately give them a list of top mistakes they should avoid and frequently asked questions or do you let them stumble thru the transaction and learn as they go? Are prospects told all potential costs up front so they budget for them or do you provide what I would like to call a "pop" disclosure? The companies that have a fanati-

cal following don't make people think and at every opportunity, reduce or eliminate the effort of the transaction.

For example, I have a big box store that I would often go to for building supplies. I started to notice a trend. Usually I could not find what I was looking for, the item was out of stock or the one on the shelf had been pilfered through and was missing components. The salesperson was non-existent and if I did find an associate, they often looked annoyed or put upon. They are from another department, completely clueless and had about three people in queue to speak with them. They would take random questions from people who would walk up, as if I was not speaking with them. When I get to the register after standing in a long line, I am pitched their credit card or home services or both. If my psyche was not completely eviscerated... as I am leaving the store I must stop by security, which will vet me to determine that I am not a shoplifter, highlight my receipt and allow me to leave the premises. I would rather have a root canal then go back to this store.

Whole Foods is one of my favorite stores because they remove the thought process. Help is readily available. They don't number the aisles because an associate will personally walk you to any item you have questions about. Returns, if necessary, are obscenely easy and the employees seem to be very happy to be working there.

Are you giving your customers an Easify® experience? If not, what are you waiting for? ●



Terry Watson is President of Easify Inc. He travels the world showing people and companies, the simple unconscious things they do, that pummel their profits, and absolutely annoy the consumer. The good news, is the fix is cheap and it is easy! <http://www.terrywatson.com/>





“The public **absolutely detests** people and companies who make them think and participate in **unnecessary processes.**”

\$2,000 Over Best Offer

In a time of shrinking inventories of desirable homes, many buyers have become desperate in their efforts to purchase a new home. It would appear that buyers across the state are resorting to a form of offer, which they hope will prevent them from being outbid on the home of their dreams. These buyers are inserting a provision in their offers that they believe will maximize their chance of success.

A hypothetical scenario is the easiest vehicle to explain this technique. Buyer A makes an offer on 123 Elm Street for \$150,000. The offer goes on to provide that Buyer A will increase his offer to \$2,000 more than any competing offer made for 123 Elm Street (the "Open-Ended Offer"). On a number of occasions we have been asked whether this technique poses any specific risks to Buyer A and if so, can a clause be constructed that will completely remove those risks. The answers to the questions appear to be "yes," this technique does pose risks, many of which may be addressed in some fashion, but which would result in one of the most complex clauses ever appearing in a residential real estate purchase agreement.

First, the use of the Open-Ended Offer on its face subjects Buyer A to limitless financial exposure. If Buyer A offers \$150,000 for 123 Elm Street, a competing offer could be received for \$300,000, making Buyer A contractually liable to pay \$302,000. This danger can effectively be limited by putting a cap on how high Buyer A will go in topping competing offers. For example, Buyer A could supplement the Open-Ended Offer by indicating he will pay not more than \$160,000.

Second, Buyer A could find himself paying \$2,000 more than a fake "competing offer" of \$158,000 submitted by the Seller's cousin or golf buddy solely in order to inflate the purchase price. Buyer A could try to protect himself against such a scheme by inserting into the Open-Ended Offer the words "bona fide" or "good faith" with respect to any competing offer, i.e., he will pay \$2,000 over any bona fide, good faith competing offer. While those words have legal meanings which can be applied by a court, the "good faith" or "bona fide" offer turns on specific facts of each case, and a great deal of money could be spent litigating whether Buyer A is stuck paying \$160,000, or if the Seller's cousin's offer is not "bona fide" or in "good faith." An attempt could be made to try and insert in the contract a definition of "bona fide" or "good faith," but the Open-Ended Offer would simply be made longer without injecting any additional

certainty as to what constitutes a legitimate offer.

Third, Buyer A could try to protect himself against fake offers by indicating that he will only pay \$2,000 more than any competing offer if a copy of the competing offer is provided to him and is supported by a bank pre-qualification or pre-approval letter indicating the second buyer is qualified to purchase 123 Elm Street at the price offered by that buyer. Unfortunately, there are no standard criteria by which a lender will issue a pre-qualification or pre-approval letter. Some lenders actually undertake a credit check prior to issuing such a letter, while others more freely issue these letters with conditions, e.g., the second buyer being creditworthy to borrow the funds. Again, terms could be inserted in the Open-Ended Offer to define what would be considered a pre-qualification or pre-approval letter, e.g., a commitment to finance without conditions, but again, the Open-Ended Offer simply gets longer and a pre-qualification or pre-approval letter without conditions may simply not exist in this market.

Fourth, a buyer can try and protect himself from the risks of what is perceived to be an excessively high competing offer by inserting a number of other terms in the Open-Ended Offer. For example, a contingency could be inserted in the Open-Ended Offer indicating that the Open-Ended Offer is subject to an appraisal at or above the purchase price by an appraiser selected by Buyer A. For example, Buyer A could elect to terminate the agreement if the property did not appraise at \$160,000. Alternatively, Buyer A could make certain that an extremely broad inspection clause was inserted in the Open-Ended Offer. While Buyer A should certainly proceed in good faith in regard to any inspection report, he may well become more demanding if he believes the competing offer is excessive or not made in good faith. Further, if Buyer A's Open-Ended Offer is contingent on financing, he may well be protected if the property will not appraise to support the higher purchase price.

Sixth, Buyer A must also determine how long he wishes to be at risk through the Open-Ended Offer. He can address this risk by putting an end date on the Open-Ended Offer, e.g., he will pay \$2,000 over any competing offer for a period of five days from the date of his offer.

Seventh, perhaps one of the greatest challenges with the Open-Ended Offer is making certain that the Open-Ended Offer and the competing offer are compared as apples to apples. Assume that Buyer A's Open-Ended Offer is for \$150,000 cash. The



competing offer is for \$158,000, but with \$10,000 of Seller's concessions. Is Buyer A bound to pay \$160,000 or would the competing offer be treated as having a "net" value of \$148,000? There is no Michigan case law on this issue; thus, it would be up to the Realtor® for Buyer A to define in the Open-Ended Offer how the amount of any competing offer will be determined, e.g., net of Seller's concessions as well as amounts which are offered for Seller's personal property and the like.

Finally, perhaps the ultimate challenge with using an Open-Ended Offer could occur if the competing buyer also submitted an offer saying she would pay \$3,000 more than a competing offer. Upon submission of Buyer A's Open-Ended Offer of \$150,000, the competing buyer's offer would move to \$153,000. Arguably, Buyer A's Open-Ended Offer would then move to \$155,000 and the process would continue until a cap was reached in one of the two Open-Ended Offers. And who knows what the result would be or should be if there is no cap on either Open-Ended Offer.

As can be seen, even with great care in drafting the terms of an Open-Ended Offer, it is not possible to eliminate all potential risks. In the end, a court may decide that an Open-Ended Offer is too vague to be enforceable. The risk of a lengthy and expensive litigation must be taken into consideration when using an Open-Ended Offer.

Merger Clauses: How Much Protection Do They Provide?

The Michigan Court of Appeals recently reviewed the effect of the following clause in a purchase agreement from the sale of real property in Michigan (the "Integration Clause"):

It is further understood that no representations or promises have been made to Buyer by real estate brokers or sales persons or by the Seller other than those contained in this agreement or as otherwise made or given by the Seller to the Buyer in the written disclosure statement.

In this case, the Buyers were seeking to purchase real property located next to a lake. The Buyers claimed that while viewing the property, a representation was made to them that the property included 50 feet of lake frontage. A document titled "Agent Detail Report" stated that the property is lakefront with 50 feet of frontage. It also should be noted that this report contained a disclaimer that the "information contained herein should be deemed reliable but not guaranteed, all representations are approximate and individual verification is recommended." The Buyers were allegedly told that there were two undeveloped roads bordering the lake side of the property and that the two roads

ended where they intersected, resulting in about 20 feet of the beach as public property and over 50 feet of the beach as their private beach if they bought the property. The Buyers bought the property.

According to the Buyers, about a year later, they were informed by their neighbor (as always seems to be the case) that they did not have any lake frontage. Further, the neighbor advised them that the Seller knew there was no lake frontage because of prior litigation between the neighbor and the Seller. The Buyers checked with the Cass County Road Commission who informed them that one of the roads did not end, but instead ran the entire length of the beach. Upon contact from the Buyers, the township assessor confirmed that the property was incorrectly classified as lakefront. The assessor then substantially reduced the assessment on the property from \$227,000 to \$125,700.

The Buyers sued the Seller and the Seller's REALTOR® for misrepresenting that the property had lake frontage. The Seller was granted summary disposition on the Buyers' claims by the trial court. The trial court found that based on the Integration Clause in the purchase agreement, the Buyers could never prove fraud because they could not demonstrate that they reasonably relied upon the representations of the Seller. In other words, by signing the contract that contained the Integration Clause, the Buyers specifically disclaimed any reliance on the Seller's representations.

The Court of Appeals reversed the decision of the trial court and remanded the case back to the trial court for further proceedings based on the Buyers' misrepresentation claims against the Seller. The Court of Appeals went to great lengths to differentiate this case from prior Court of Appeals' opinions which would appear to stand for the proposition that a merger and integration clause generally defeats claims of misrepresentations made outside of the purchase agreement. The Court of Appeals determined that in the present case, the Integration Clause was not effective to defeat a misrepresentation claim, if the misrepresentations were used to induce the Buyers to enter into the purchase agreement in the first place. In other words, a seller cannot use an integration clause in a purchase agreement to defend himself, if in fact the buyer can establish that he relied on those representations in entering into the purchase agreement.

This recent Court of Appeals opinion is unpublished, meaning it is not binding on other courts. Nonetheless, it can be cited to other courts. Thus, sellers and their agents should be aware that the use of a merger and integration clause may be of little help in defending against claims of misrepresentations allegedly made prior to entering into a purchase agreement, albeit that is one of the reasons for using such clauses. ●

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