

Toughest Issues in Brokerage Management

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We received comments from brokers and associate brokers regarding tough management issues. They are grouped into two main categories, (basically personalities and procedures) and summarized below. After each item, a suggestion, solution, or resource is offered to assist the broker in managing licensee.

Individual Personalities

1. *“Managing the gifted, enthusiastic salesperson and trying to get him/her to follow necessary policies and procedures.”*

Some personalities are good at doing deals but not as good at paperwork and procedures. The broker could try the following:

- Require the agent to take specific training to help him/her learn the procedures (how to fill out contracts, etc.)
- Require the agent to use company checklists for specific procedures.
- Provide follow up by the broker or broker’s assistant to be sure the agent is following procedure at each phase, keeping files AND communicating with the Broker on a regular basis. A communication log could serve a useful purpose for both the broker and agent.
- The agent may perform better with the aid of an assistant. For a highly productive agent, it may be worthwhile to insist that the agent use an assistant to help them with the detail work and follow all procedures. There is a list of those tasks an unlicensed assistant may and may not do in [Rule 520.1.07\(6\)](#)

2. *“Getting agents to operate their real estate business like a business and as an independent contractor/consultant.”*

- The broker can require the agent to take specific training to help him/her learn how to set up their business, pay estimated tax, etc. Some real estate companies offer training to agents for the very purpose of making sure the agents know their responsibilities, helping the agent be successful and shifting responsibility to the independent contractor.
- The broker could have one or more qualified accountants or business consultants talk at a sales meeting to present at least 5 key points that a licensee must do to operate their business and answer questions from agents. Service providers are usually glad to meet with a group of possible future clients.
- The broker must be careful to manage in a way that encourages the independent contractor to produce results without totally controlling how the work is done in order not to create any employee relationship for IRS purposes.

3. *“Getting agents to invest in their business: Marketing, Education, New Tools.”*

- Whether it is social media marketing, email broadcasts or video listings, the salesperson, as well as the Broker, must keep current with new technology and what works in the current market. This means the broker should also be updating his/her tools, skills and methods. Education is essential. Local Boards of Realtors™ and many online resources provide courses on new marketing methods. In addition, many of the creators of these tools, software distributors or marketing companies offer training in new technology. There are also trade associations that provide technology tradeshow, workshops and seminars that may or may not be aimed at real estate, but provide useful resources and often free training for their products.
- Google those companies providing products and ask them to come speak at your company sales meeting. In today’s market, service and product providers are looking for inexpensive way to do marketing targeted to direct users.
- Agents on the cutting edge of innovative techniques might want to consider spreading the cost of new technology with other licensees in the firm and thereby drawing training classes from the provider.
- When implementing new methods and tools, it is critical to carefully integrate the License Laws so that no advertising (or other) violations are made. This means the broker must not only be knowledgeable about new marketing methods and tools, but must still review every

advertisement for compliance. A technology expert within the company may be a good start, but compliance with the license laws still falls upon the broker in charge.

4. ***“Agents who do not adapt to the changing real estate industry and keep trying to do things the same way. Trying to get agents to break bad habits of the past.”***
 - Change can be a good thing, but the broker must lead the way.
 - Because personalities are unique, it often falls to the resourcefulness and creativity of the broker to determine how to deal with individual agents.
 - Developing a list of techniques that have proven successful for high producing agents is a good way to get other agents to buy into using a new method.
5. ***“An agent does not ask for help on a deal and it falls apart or an agent that does not take the advice and directions when offered.”***
 - Communication is the key to helping agents understand that the Broker is a resource, but the Broker must be available and willing to take on that role. But communication works both ways. When salespersons complain that their broker is not available or will not help, it merely emphasizes the fact that the personality of the broker must be one that is willing to offer experience, knowledge and support, knowing that sometimes the advice will not be taken. And the Broker must be available and take his/her responsibilities seriously.
 - The sales meeting is a great opportunity for other licensees in the company to offer suggestions to that agent. Sometimes personality conflicts can keep one from accepting advice from the broker, so enlist the help of a successful agent if possible.
 - If a Broker repeatedly provides useful advice and the agent does not accept it leading to failed deals, it may be time for the broker to suggest that the agent find another broker or become a broker him/herself if he/she cannot take direction and advice.

Following Laws, Policies and Procedures

6. ***“Getting agents to be fully dedicated to the laws and procedures is an ongoing problem.”***

The Georgia Real Estate Commission has several resources that review actual violations and disciplinary actions. The broker could require each agent to complete one or more of the following on a regular basis and provide proof or have the agent sign-off that it is has been completed.

 - Require each agent to sign up and regularly read the [GREC RENewsletter](#) that provides updates on license laws. Future issues will also include more articles of actual cases and actions taken by the Commission.
 - Require the agent to take either the GREC Online course titled [“Practicing Real Estate & Staying Out of Trouble](#) or the in-class Common Violations courses titled.” [You Can't Fix Stupid!!! \(But We Can Work with Ignorance\)](#)
 - GREC also offers a [Trust Accounts Class](#) and a [Brokerage Course](#) that are useful to salespersons as well as Brokers. They provide real life examples that apply to all licensees.
 - Other training courses are offered by various schools regarding contracts, ethics and specialty areas.
 - The Broker can create a schedule of problem areas and discuss a specific license law and/or situation in each sales meeting and require each agent to sign off their understanding at each meeting.
 - If an agent repeatedly ignores company policy and procedures or required training, it may be the broker needs to transfer the agent’s license to another broker who can better deal with his/her personality or even send it in to the Commission

These procedures serve to educate and remind the licensee of the license laws, but they also serve to protect the broker if he/she can prove that the licensee was trained properly if a violation is made.

7. ***“Making sure agents keep the files up-to-date and understand that the files are the Company files.”***

- Ask those agents that do well at maintaining files and following procedures to create a company Checklist and present it at weekly sales meeting and require all agents to use it, as appropriate.
- Files must be maintained by the broker for 3 years. [See Rule 520.1.10](#)
- 8. ***“Preventing agents from writing special stipulations and contingencies and realize they are not attorneys.”***
 - The Broker can require that certain forms be used for transactions however no forms are “approved or required” by the GREC. The solution to completing forms property is training. Classes in Contracts are offered frequently at different schools and around the state.
 - Those items that can be completed by the licensee are listed in [O.C.G.A. 43-40-25.1](#)
 - The best protection, direction and training for licensees is through the Broker’s review of contracts in timely manner as required by [See Rule 520.1.07](#)
 - The broker can create various Checklists for contract review (such as time line verification in a contract to ensure the contract binding date is prior to the offer’s time limit).
- 9. ***“Removing signs when the listing is expired or sold.”***
 - Set a calendar reminder for each listing.
 - Various calendar or contact management software can be set to provide alerts.
 - Administrative personnel can be responsible for following up with agents after a listing expires or is sold. Part of closing out the transaction file may be removal of the sign.
 - Signs must be removed within 10 days of expiration of a listing [O.C.G.A. 43-40-25\(b\)\(11\)](#)

All of these issues can be further supported by research in the license law rules and regulations. The index section of the license laws actually describes the sections clearly and can be accessed from the [GREC web site](#). *This article is accessible for printing or future reference from the [Resource Tab on the Georgia Real Estate Commission School Website](#).*

Next month’s issue will summarize and address comments from Salespersons and provide ideas to assist them. Encourage your agents to send in comments to the [GREC RENews Editor](#). The definition of **review** according to Webster’s is “an act of inspecting or examining or to go over or examine critically or deliberately.” The broker is responsible for reviewing for compliance: all advertising, listing contracts, leases, sales contracts, management agreements, and offers to buy, sell, lease, or exchange real property secured or negotiated by the firm’s associates. 43-30-18. A real estate broker or qualifying broker shall be held responsible for any licensee whose license is affiliated with the broker or the broker’s firm who violates any of the provisions of Chapter 43-40 and its Rules and Regulations. [Rule 520.1.07](#)