

National Association of REALTORS® - A.E.I. Year-round (June 2021)

Expect the Unexpected

A Primer for AE Absences and Succession Planning

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Ginger's Two-Pronged Preparation Approach

General Plans, Policies and Procedures	Develop an Absence and Succession Plan
1. Strategic Plan	1. Why do it?
2. Annual Business Plan	2. Leadership and Staff Preparation
3. Organized Policy Manuals	3. Small Association Strategies
4. Procedures Manuals	4. What goes into the Plan?

General Plans, Policies and Procedures

1. Strategic Plan

- Do a major review and update every 3 years.
- Conduct a simple SWOT analysis at the beginning of each years to adjust for any new key internal and/or external factors
- Review objectives annually and update as necessary to meet goals and stay in alignment with NAR Core Standards (such as the 2021 development of DEI and Fair Housing component and activities, Leadership development on DEI, roles and responsibilities and the Core Standards, and conducting virtual meetings).

2. Annual Business Plan

A highly detailed plan that provides annual direction for operations and programs of the association:

- WHAT: List the strategies and tasks that must be undertaken.
- WHO: List the individual who have responsibility for each strategy or task (staff and/or volunteers).
- WHEN: Timeline(s) in which strategies or tasks must reach benchmarks or be completed.
- BUDGET: Note the budget to complete each strategy or task (may require board approval).
- MEASURE: Note the metrics that will measure performance outcomes. These metrics may be tiered over the course of the strategic plan.

3. Organized Policy Manuals

Is your policy manual organized in such a way that leadership and staff can easily find the information?

Recommended sections include:

- Association history, corporate organizations, and key calendar dates
- Governance structure (Board structure, position descriptions, duties, and responsibilities, etc.)
- Committee and Task Force structure (committee descriptions, position descriptions, duties, etc.)
- Administration/Finance/Operations (policies related to these three key areas)
- General Policies (includes policies such as anti-trust, conflict of interest, confidentiality, harassment, diversity and inclusion, official spokespersons, charitable giving, special events, disaster recovery, etc.)

Other Policies and/or Manuals:

- Updated HR Employee Handbook (keep updated and in alignment with federal and state laws)
- MLS-related Policies, Rules and Regulations, Procedures Handbooks (if applicable)
- Subsidiary documents (Bylaws and policies for any wholly owned subsidiaries, such an MLS, a for-profit business entity, or a charitable or education foundation)

4. Procedures Manual or Videos (review annually or as needed)

- Related to day-to-day operations
- Bookmark key calendar operational events (such as the annual dues billing cycle)
- Detailed description of various critical procedures. Staff may be asked to create. Review at least annually.
- List of vendors, contracts, key subject matter experts (SMEs) – attorney, accountant, auditor, investment manager, bank information, signatory information, external partner and/or relations contact information
- Protected File locations and passwords (some associations file with their attorney)
- List of key contacts at the state and national associations (note by program area)
- RESOURCE: Utilize and periodically update the NAR Local Association Operational Procedures At-a-Glance

Develop an Absence and Succession Plan

1. Why do it?

- The AE is the **essential pivot point** for successful implementation and execution of the vision, mission, strategic goals, and policies set by the Board of Directors. Therefore, a plan of action which outlines lines of authority and responsibility during an absence of the AE is critical.
- Succession planning ensures that the company will continue to run smoothly after its most important employee is absent or leaves.
- An AE succession plan ensures that volunteer leadership and staff understand how the day-to-day functioning of the association will take place during the absence of the AE. It ensures there are clear plans to provide for seamless, continuing operation of the Association.

2. Building the Succession Plan

- Working together, the AE and staff (or leadership) can create a written succession plan fairly quickly, for review and approval by the Board of Directors.
 - The elements of this plan require the AE to consider his/her absence for both short-term and longer-term absences, as well as a permanent absence.
 - This process will require the entire staff to work as a team to ensure they have the exposure to and training to take over key duties of the AE during those times. The benefit of this approach is that it provides clear lines of duties and authority that the staff can follow, and the leadership can rely upon.

Succession planning is not a one-time event; plans should be reevaluated and potentially updated each year, or as changes in the association dictate.

3. Leadership and Staff Preparation

Leadership:

It is critical that leadership understands they have a critical role to play in succession planning.

Get real with them! Ask them what they would do if something unexpected happened to you tomorrow.

- Educate them on the importance of succession planning.
- Educate them on the scope of what you do.
- Educate them on the critical need to allocate resources to systems and staff.
- Educate them annually on the succession plan.

Staff:

Hold an annual staff development retreat. At it, review plans, policies, and the absence/succession plan.

- Position Descriptions: Update with staff during annual evaluations
- Training: Cross training, program training, vendor training.
- Professional Development: Individually or collectively. Expand their roles and duties when possible.
- Think Back up: Train them on key aspects of your job.

Staff development for larger associations:

Develop your employees and prepare them for their own succession.

- Identify and understand the developmental needs of your employees.
- Ensure that key employees understand their career paths and the roles they are being developed to fill.
- Focus resources on retention of critical employees.

- Be aware of employment trends in your area in order to provide benefits and resources to increase retention.

Small Association Strategies:

The reality is that most smaller associations have little, if any, staff to support them if they are absent. They must be particularly resourceful when developing a succession plan. Input and buy-in from volunteer leadership is critical.

Common Small Association Strategies:

- Having a flexible work schedule and the ability to work remotely.
- Use of communications devices, systems and tools which enhance working remotely.
- Checking email throughout the day – even when ill or on vacation.
- Having written procedures and checklists in place for day-to-day operations.
- If AEs have staff, cross-training them on daily operations.

Additional Small Association Strategies:

These will require Board of Director support and resources:

- Hire at least a part-time staff person and train on critical day-to-day operational procedures.
- Hire a full-time staff person who works for you and a neighboring association.
 - Determine the formal employee structure. Who will be the employer? One or both associations? How will you handle benefits?
 - Share costs based upon your percentage of use of the individual
 - Look for areas of common procedures (such as input into the NAR member database)
 - Could this be a remote position so that it is more attractive?
 - Build in some flexibility to the position, in case of illness or an unexpected absence of the AEs
- Formally collaborate with neighboring AEs who can fill in for each other during vacations or temporary absences.
- Work with your state association. Can you outsource program or other needs to the state? (professional standards administration, government affairs, finances, website, etc.). Does the state offer any temporary administration support services?

4. What goes into the Plan?

Written plans will vary depending upon each association’s size and needs (see example attached)

3 absence scenarios are outlined:

1. A short-term temporary absence
2. An extended temporary absence
3. Permanent absence which requires the identification and hire of a new AE (succession)

Sections:

- I. Note the purpose of the plan and list the 3 scenarios
- II. List the primary duties and responsibilities of the AE
- III. List the titles, primary duties, responsibilities of other staff (if applicable).

IV. Short-term temporary absence

- General Assumptions
 - AE absence up to 1 month (typically 1 – 2 weeks).
 - Most typical type of an AE absence, due to meetings, personal leave, illness, etc.
 - All key staff will continue to have oversight in their respective areas.
 - The AE may meet with them to assign additional duties.
 - Assumes the AE is available for some contact, consultation, and usual duties.
 - Terms of any existing contract are enforceable.
- Assignments
 - Who has authority to assume the role of the AE on broad issues or emergency operational matters?
 - Who will support the BoD, Executive, or other AE supported committees?
 - Who will substitute for the AE at member or other important events?
 - Will reporting to the AE be done during this time? If so, how?

V. Extended temporary absence

- General Assumptions
 - AE absence over 1 month.
 - The AE is generally unavailable for contact, consultation, and usual duties during the absence.
 - A planned project/program may need to be delayed or deferred.
 - Terms of any existing contract are enforceable.
 - If over 60 days, the Board should be consulted on an acceptable length of time for the absence, dependent upon the circumstances of the absence.
 - If due to illness, state and federal short and long-term disability policies and laws must be followed.
- Assignments
 - Will any staff person act as an “Acting (or Interim) AE”?
 - May use his/her judgment in delegating duties within functional areas.
 - Would report directly to the Board.
 - Staff would report directly to the Acting AE
 - If not:
 - Who has authority to assume the role of the AE on broad issues or emergency operational matters?
 - Who will support the BoD, Executive, or other AE supported committees?
 - Who will substitute for the AE at member or other important events?
 - Will reporting to the AE be done during this time? If so, how?

VI. AE succession

- General Assumptions
 - Terms of any existing contract are enforceable.
 - If the AE is available for a period of time, he/she would continue in current capacity.
 - Leadership may ask the AE for some limited assistance with the process.
 - If the AE is not available, default to Section V. If an Acting AE is utilized, a temporary adjustment in salary (or bonus provision) should be determined by the Board of Directors.
 - If several staff take over duties, multiple adjustments in salary or bonus should be determined.
- Recruitment process and plan
 - Determine the composition, authority, and general responsibilities of a Search Committee.
 - Will the association utilize a recruitment firm?
 - If so, what will be the responsibilities of the firm, and how will the firm interact with the Search Committee?
 - Develop time frames for the process.
 - Address organizational culture and desired AE attributes, skills, experience, and education.
 - Address internal candidate considerations.
 - Address Employment agreement/contract considerations.
 - Address transition realities.

Resources:

1. Sample Absence and Succession Plan – created by Ginger Downs, RCE, CAE, IOM
2. NAR Retirement & Succession Planning Resources (Under the HR Toolkit Section):
 - Checklist for Retiring AEs
 - Succession Planning Checklist for REALTOR® Associations (use with leadership to prepare your plan)
 - Guide for Succession Planning - Robert C. Harris, CAE
 - Local Association Operational Grid
3. Association Forum – CEO Succession Planning (2013) – www.associationforum.org/mainsite/browse/professional-practice-statements/ceo-succession-planning

Do you have an AE Succession Plan? Post it on NAR’s R.A.R.E. database for your peers to use as an example.

EXAMPLE OF AN AE ABSENCE AND SUCCESSION PLAN

Developed by Ginger Downs, RCE, CAE, IOM
Partner, Martin & Downs Association Consulting Solutions
www.MartinandDowns.com

NOTE: This is an example of an AE Absence and Succession Plan, which can be adapted for each Association's unique situation. It is recommended an AE Plan be approved by the Board of Directors and placed within the Association's Policy Manual. The plan should be reviewed periodically by the AE to assess relevance and need for revision. Any proposed revisions require Board of Director's approval and update to the Policy Manual.

This plan is designed to establish an Association Executive (AE) absence and/or succession plan which provides for seamless, continuing, operation of the Association under three distinct scenarios:

1. Temporary absence of the AE – up to 1 month
2. Extended temporary absence of the AE - in excess of 1 month
3. Permanent absence of the AE – a new AE is to be identified and hired

Key Duties and Responsibilities of the AE

The AE is responsible for overseeing the day-to-day operations of the Association while facilitating interaction between staff, membership, and the Board. These responsibilities include, but are not limited to:

LIST ALL KEY DUTIES AND RESPONSIBILITIES (SUCH AS)

- In conjunction with the Board, participate in the formulation of the Association's mission, annual goals, and objectives. Develop and implement strategies and tactics to attain these goals.
- In conjunction with the Board, build a solid foundation of profitability and growth for the Association.
- Work closely with the Board, and appropriate committees, work groups and staff to provide recommendations on policy issues impacting the real estate industry.
- Attract, recruit, supervise and maintain a high-quality professional staff, ensuring a workplace conducive to member satisfaction and service, staff achievement, teamwork, high morale, and accountability; and encourage volunteer and staff creativity and initiative.
- Maintain a high level of knowledge and understanding relative to trends, developments, and directions being taken by both the residential and commercial segments of the real estate industry.
- Serve as primary liaison to related industries/associations and professional groups.
- Serve as secondary Association spokesperson to the public, the media, civic and governmental entities.
- Assure that all property of the Association is safeguarded.
- Serve as an ex-officio non-voting member of the Board of Directors and Executive Committee, providing advisory assistance, as well as administrative and technical support.

Key Duties and Responsibilities of Other Staff

Each of the following individuals is a part of the Association's staff. Within their respective areas, they are association management professionals who oversee day-to-day activities and administrative functions.

While each of these individuals is charged with responsibility for decisions within their respective areas, they meet regularly as a team to discuss broad Association matters. Each of these staff members have a "global" understanding of the Association's strategic goals and operational plans. They regularly report to the Board of Directors and are utilized by that body as primary resources for information and expertise within their respective areas. Job descriptions for each of the staff are available to the Board of Directors, upon request.

LIST THE NAMES OF (SENIOR or KEY) STAFF AND TITLES

Note broad areas of responsibility for each staff person (not detailed job descriptions)

AE Absence - SCENARIO 1

This scenario assumes a temporary absence of the AE, up to 1 month, due to industry commitments and/or meetings, illness, vacation, personal leave, etc. This is most typical form of AE absence and assumes the AE is available for limited contact, consultation, and usual duties during the time frame. Terms of any existing AE Employment Contract are enforceable.

1. All (senior) staff continue to have oversight and direct decision-making within their respective areas.
2. If the absence is planned, the AE will meet ahead of time with (senior) staff to assign additional duties during his/her temporary absence.
3. **Note here specific staff temporary assignments, such as:**
 - Who has general responsibility/authority to assume the role of the AE on broad issues or emergency operational matters?
 - Who will provide support for the Board of Directors and Executive Committee, or other committees supported by the AE?
 - Who will substitute for the AE at member or other events that would require the AE's attendance?
 - Who will handle other key duties of the AE?

AE Absence - SCENARIO 2

This scenario assumes an extended, temporary absence of the AE, in excess of 1 month. A further assumption is that the AE is generally unavailable for contact, consultation, and usual duties during this time frame. Terms of any existing AE Employment Contract are enforceable. After 60 days, the Board of Directors should determine an acceptable length of this temporary absence, which is dependent upon the specific circumstances of the absence.

1. Appoint an Acting (or Interim) AE: The AE will determine the appropriate (senior) staff person to assume the title of "Acting (or Interim) AE" with the accompanying responsibilities and authority. **(NOTE title of the selected individual here)**. The (title) would use his/her judgment in delegating duties within the functional area of the AE to appropriate staff during the AE's absence. He/she would report directly to the Board of Directors and be accountable to them. Staff would report to the Acting AE during this time frame.
2. All (senior) staff continue to have oversight and direct decision-making within their respective areas.
3. If possible, the AE will meet ahead of time with (senior) staff to assign additional duties during his/her temporary absence.
4. Deferral or a delay of any major projects or programs should be considered by staff and the Board of Directors unless the staff and other necessary resources are available to bring the project to successful completion.

AE Succession/Transition - SCENARIO 3

This scenario assumes a new AE needs to be recruited and hired. Terms of any existing AE Employment Contract are enforceable.

1. If the AE is available for a specified period of time, he/she would continue in his/her current capacity and, if requested to do so, assist the Board of Directors with the recruitment and hiring of a new AE.
2. If the AE is not available, the staff would operate under the direction of the "Acting (or Interim) AE" as outlined in Scenario 2, until a new AE is recruited and hired. The Acting AE would assist the Board of Directors with the identification and hiring of a new AE. A temporary adjustment in salary in accordance with market rate and an appropriate title change should be determined by the Board of Directors for the "Acting AE." Other temporary salary adjustments may be considered by the Board of those taking over key portions of the AE's regular duties and responsibilities.

Recruitment Plan

The purpose of the recruitment plan is to keep the search focused on key areas, such as the strategic direction of the Association, position competencies and executive attributes, budget, and timeline to ensure the best candidate is hired within the Association's resources.

A Search Committee should be established and plays a key role in the recruitment process. A best practice is to keep the Search Committee less than 9 leaders in the association, including the Chairperson, officers, current Board of Director members and/or Past Presidents. The officers or the Executive Committee should recommend the size and composition of the Search Committee to the Board of Directors for their approval.

The roles and level of involvement of the committee should be determined at the beginning of the process. The AE and/or Acting AE would act as the administrative liaison for the Search Committee. Suggested responsibilities for the Search Committee are to:

1. Receive direction from the Board of Directors on the future direction of the Association and key desired attributes and qualifications of the new AE
2. Determine the budget for the search
3. Develop a recruiting plan and timeline
4. Select and work with the recruiting consultant
5. Review the position description and determine position competencies
6. Determine a competitive compensation package
7. Develop interview questions and establish interview format
8. Interview top candidates
9. Recommend the top candidate to the BOD for approval
10. Negotiate a compensation package, employment agreement terms and start date

If financially feasible, it is recommended that the Association utilize the services of a recruiting consultant who specializes in Association Management Executive recruitment, and/or specific REALTOR® Association Management recruitment. If a recruiting consultant is hire, the consultant would assist the Search Committee with the above and would also be responsible to:

1. Write a job posting and post the position ensuring diversity of candidate pool
2. Contact peers within the field to identify potential candidates
3. Source resumes
4. Conduct initial phone interviews
5. Do background screening
6. Conduct reference checks
7. Prepare candidates for formal interview process
8. Guide the interview process and aid the Search Committee's discussions
9. Conduct a final debrief with Search Committee and selection of the final candidate.
10. Assist with other recruitment-related requests of the Search Committee

Internal Candidates

In larger sized associations, it is not uncommon for an internal candidate(s) to arise. It is critical that both the BOD, Search Committee and anyone involved in the recruitment and selection process remain neutral. They cannot act on behalf of, or in opposition to, any internal candidate. It must be clearly communicated with the staff candidate that the same criteria and expectations imposed upon external candidates will apply to them, as well.

Succession/Transition Realities

For the well-being of the organization, it is critical that the volunteer leadership allow the new AE sufficient time to analyze the organization's systems, finances, structures, and human resources; the culture of the volunteer leadership; relations with the members, the affiliated state association and NAR, as well as key industry and community organizations. As such, the Executive Committee should work closely with the new AE over the course of a year's time frame (one full cycle within the Association), to ensure that expectations are clearly established at the time of hire and to hold a formal evaluation at the end of the first six months and one year of service, based upon expressed and measurable performance outcomes.

Volunteer leadership can expect uncertainties among staff as they interact with the new AE. This is normal and leadership should expect that there to be some tension initially. It is recommended that volunteer leaders do not interject themselves into day-to-day management decisions, allowing the new AE to make personnel decisions that he/she believe best serve the organization. Again, leadership should be neutral in this capacity.



Ginger Downs, RCE, CAE, IOM
2017 NAR William R. Magel Award of Excellence recipient
Partner, Martin & Downs

PROFILE:

Ginger is a recognized REALTOR® Association Executive and a national speaker and facilitator, who regularly conducts leadership and AE training programs. She chaired many NAR AEC committees and work groups, ultimately serving as both AEI Chair and AEC Chair. Ginger has also served on key NAR Committees, including as an NAR Director, and on its Executive, Finance, Strategic Planning, Communications, Convention, Issues Mobilization, Public Policy Coordinating Committee and Diversity Committees; NAR’s Leadership Academy and Treasurer of REALTOR® University (2012 – 20).

Ginger has presented at numerous NAR Leadership Summits. For 10+ years, she spoke at NAR’s new AE training and was consistently ranked the #1 presenter. Ginger has been a guest speaker at national meetings of WCR, IREM, and NAA and was the featured keynote speaker at the RAPDD Summit in 2018.

Ginger joined her partner, Alice Martin, upon her retirement from C.A.R. Since the inception of Martin & Downs Association Consulting Solutions in May 2018, M&D has provided services and training to over 60 associations, including planning, leadership training, general facilitation, governance reviews, executive search, and much more.

Ginger resides in Vancouver, WA. with her husband of 28 yrs., Bruce and their five (yes – 5) cats. To quote her, “It’s a disease! 😊” They recently moved back to the Northwest to be closer to their daughter and other family in Washington state.

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Career:

- Ginger has always had a passion for working in the non-profit arena. Trained as an accountant, she was the Comptroller and Deputy EVP of the Spokane BOR and MLS from 1983-85. From 1985 – 2018, she served as the CEO for five local REALTOR® associations, including the Skagit Co. AOR and MLS (1985 – 1992), Portland BOR (OR.) and the Portland/Metro Commercial Overlay Association (1993), Seattle-King Co. REALTORS® (1994 – 2005) and the Chicago Association of REALTORS® (2005-2018).
- At C.A.R., Ginger managed 5 non-profit and for-profit corporations, with combined annual budgets up to \$15 million. At its height, C.A.R. served 18,000 REALTORS® in Chicagoland. Ginger managed 50+ staff and worked with over 300 volunteer leaders annually. She transformed the association from the ground up and focused much of her time on collaborative efforts with the state; other local REALTOR® associations, and the local chapters of AREAA, NAHREP, NAREB, RTTR, VAREP and WCR. Ginger had a singular focus on ensuring diverse representation both in her staff and on the board of directors, as well as a strong commitment to developing leaders from all sectors of C.A.R. She retired from her career as a REALTOR® Association Executive in April 2018.

Volunteer Activities and Awards:

- An NAR RPAC Hall of Fame (\$50,000) and President’s Circle Investor.
- A highly active volunteer at all 3 levels of the REALTOR® organization, Ginger served in many NAR leadership positions (see Profile). Her industry volunteerism also included working with chapter leaders of AREAA, NAHREP, NAREB, WCR, RTTR and VAREP.
- Ginger was an active volunteer within the Chicago community, serving on RE Advisory Boards for DePaul University, Roosevelt University, John Marshall Law School, and the Goldie Initiative (Commercial Women in RE). She channeled her passion for serving the homeless community as the Chair of All Chicago – Making Homelessness History, where she facilitated the merger of two major non-profits, with a combined budget of over \$75 million dollars and serving over 100 social service organizations in Chicagoland.
- Ginger is a recognized leader within the real estate industry. In 2017, she received the NAR William R. Magel Award of Excellence in Association Management (30th recipient); 2015 T3 Sixty SP 200 list of most influential executives in real estate; 2014 WCR Elevate Award; 2011 and 2016 Chicago Agent AE VIP Award; 2014 BisNow - Top 50 Power Women in Chicago Commercial Real Estate. She is a member of the NAR Bud Smith Leadership Society. Ginger is a recipient of both the “Rhino” Award for the Illinois REALTORS® and the WA Society of Association Executives. She has received numerous awards and acknowledgments for her work with NAHREP, AREAA, WA REALTORS®, and the Goldie Initiative.

Education:

- Ginger graduated in 1983 from San Francisco State University with a B.S. degree in Business Administration and Accounting.
- Ginger holds several recognized association management certifications, including the REALTOR® association Certified Executive (RCE); the ASAE Certified Association Executive (CAE) and Graduate - Institute of Organizational Management (IOM).