

Do Your Agents Understand Your Policies?

by David Fletcher

There are some real professional owners in this business. Most of them have outstanding policies and procedures, they make sure their agents understand them, and run their company accordingly, while others lose good agents all the time to "misunderstandings."

Brokers get in the most trouble when they either:

- Don't have good, clearly-written policies.
- Don't enforce their policies.
- Don't communicate their policies.
- Don't include "policies" in their training.
- Or all of the above.

Before I got into real estate about 30 years ago, I had the wonderful opportunity to work under a retired air force colonel, Ed Stansbury, who was comptroller of the 18th Air Force at one time. Later, he retired, and worked for me in my real estate company. He's 96 years old today and still going strong. Here are some things he taught me that I use even to this day:

It is not enough to "understand." What *is* important is to make sure they don't "misunderstand." When we hear the statement, "It was my understanding that..." it means that someone misunderstood.

It is not enough to send a memo or to place a note on someone's desk, and assume you have communicated with that person. "Don't ever use that as an excuse," he explained. "Always follow-up to make sure, that the other person received the message and understood it."

Policy, and the procedures to implement the policy, must be in writing. "Oral policy and instructions are not worth the paper they are not written on."

If people don't trust you with their money, they won't trust you with anything else. You can make a mistake with the floor time schedule or advertising, and once its corrected the problem goes away. Not so with money issues, he said.

Most misunderstandings within a real estate office occur because the agent doesn't understand the policy, and/or the procedures in the office. Worse yet, they don't agree with a policy or procedure that they leaned about after, not before, they joined the office.

For example, commission and fee polices should be discussed in detail before the agent ever places the license. A surprise deduction from a commission can do a lot more than destroy rapport and trust. It can cause an agent to rethink the fact that maybe, they should have joined another office.

Recently, a new agent brought a "new listing" into the office and started requesting free yard signs. It turned out to be an 'open' listing. The seller said they would pay x percent if the agent sold it. The new agent didn't know the difference.

Why did this occur? Pick one.

- a.) The agent should have known better.
- b.) The seller should have given an exclusive listing.

c.) The agent did not know the company policy.

d.) The broker was in a bad mood that day.

Answer: **c.** The agent did not know the company policy.

So when is the last time you had a policy discussion, or had "policy" discussions as part of your sales training or sales meetings?

What usually happens when there is a misunderstanding between the agent and the broker? The agent either leaves, or starts thinking about leaving. Or stays with the broker, but continues to grumble about what happened.

Multiply that incident by the multiple issues that are not addressed or communicated, such as floor time requirements, commission issues, who-pays-for-what issues, and you've got a company that can't keep agents, and probably blames it on "the economy."