

Manager's Perspective...

How to Get Community Business Done Faster and Easier

Article II

Analyze how your board uses time to better focus volunteer hours

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This article is the second of a seven part series designed to help your community accomplish more this year. After working with numerous associations, our firm has seen a pattern of behaviors and processes that can be improved so you can operate your property more efficiently. In this article I will discuss: 1) how you can track where you are spending your time and 2) some techniques to help you determine where to spend your volunteer hours for the greatest benefit to the association.

In my first article I discussed how many communities in Connecticut built in the early 1980s are dealing with infrastructure that is past its useful life. When structural components reach their useful life they require repair more frequently or they need replacement. Replacement of building components is a complex project and requires a large time commitment to deal with correctly. But, if these projects are not dealt with, they require more time and money to be spent on repairs rather than on the cause—the structural problem. We have to ask why many boards decide to ignore these bigger problems even though they indirectly cause the issues that take up most of their volunteer time.

It is apparent that some boards can be grouped into a few patterns:

- 1) Don't see the big problems because you don't know the tell tale signs to look for.
- 2) Analysis paralysis—Complex problems are difficult and sometimes overwhelming and scary. Fear of these projects comes from lack of knowledge & experience with the subjects involved.
- 3) Lack of trust—being burned by previous advisors, managers or outside contractors leaves no competent advisors available to help with the process of dealing with projects.
- 4) Don't know where to turn for help.
- 5) "Short timer's disease"—some board

members are content to wait out their term and let the next board deal with the problem— either their term is almost up, or they are selling their unit.

- 6) Other board members decide to drop out of the board because a) is too time consuming or b) no progress is being made so they become frustrated & burned out.
- 7) However, the most frequent pattern is that community leaders get distracted by smaller issues like: a) routine and mundane tasks associated with operating a property; b) "soap opera" neighbor disputes; c) parking complaints; d) pet problems, etc.

BUT—The Board's primary job is to be the steward of community assets. The value of the community is based on its attractiveness, how well it operates, if reserves have been established and if structure is in good shape. The key component of the value of the community as a whole and the value of your individual condo unit (most people's largest investment) are the large structural problems that need to be fixed, you can't hide rotten siding or leaky roofs from condo buyers. The board must spend their time wisely on the more difficult problems that affect the community's ability to a) provide a safe environment, b) maintain insurance coverage, c) reduce future operating costs and d) affect a condo unit's value.

For the last three years, housing sales have been strong due to record low interest rates. However, condo buyers who shop around have choices. Prospective condo buyers are more intelligent these days and ask "how old is the roof and the paint job?" and "how much money is in the reserve fund, enough to cover the projects?" Sure resale documents must reflect if there are upcoming capital projects and special assessments to pay for repairs, **BUT** it is much better to get those projects behind you than have them as a detractor

from a prospective condo buyer. Real estate agents and prospective buys will go to a unit at the neighboring community because they've tackled their projects and there are fewer unknown costs.

In order to spend the time on these issues it is important to see where the board is currently spending its volunteer hours. One way to do this is for each member of the board to keep track of his or her time in a small notebook for the month—similar to tracking foods you eat or the expenses you have for the month. Or you can use a software program to help you track time. In either case, whenever you spend time working on volunteer activities, make a note of what category it falls under. I suggest the board get together before the beginning of the next month and come up with the major activity categories—here are some suggestions: 1) collecting common charges 2) paying bills 3) keeping & distributing financial records 4) community mailings 5) rules & governance issues 6) preparing and attending meetings 7) receiving & logging & following up with maintenance requests from owner, 8) common area maintenance 9) bidding out services 10) inspecting contractor performance 11) emergency repairs and 12) construction/capital improvement projects. Include phone calls, emails and other time in your count.

Under these broad headings, write down a small description of what you did. At the end of the month, get together as a board and total up amongst all board members where you spent your time and on what projects and units. Also, remember due to the time of year, your time may be spent differently than during other parts of the year—so it may be helpful to do this exercise as a board during each season. Maybe you will discover a pattern: a) roof leaks on top floor above one side of the roof; b) the board seems to deal with neighborly disputes eight hours per month for two units; c) you spend fifteen hours a month reacting to emergency repairs; d) you spend ten hours per month on bookkeeping.

Now that you have an idea of how many hours each month you spend on certain functions you decide where to use your volunteer hours for the greatest economic benefit to the community. You can see if certain problems seem to use more time and choose to either: resolve, put on the back burner or ignore them. You can rank order certain activities based on the board's priorities and set out to do them.

Next you can make some phone calls and find out how much secretarial, book-keeping and maintenance projects cost per hour in your area. Now assign those hourly rates to the activities you tracked earlier, paper with columns or a spreadsheet can help you organize the information.

If you can hire someone to do the activities and they can do it in either fewer hours or at a cheaper hourly rate you save your community money. If you can use your volunteer hours on things the community wants to do that cost more per hour – you are maximizing your volunteer time to the community—SAVING THE COMMUNITY MONEY!

One word of caution is that you can't substitute a volunteer for activities that require a professional. An inexperienced person, no matter how conscientious or good meaning, can cost the community big time money or legal liability if they forget to include some-

thing a pro would not have missed.

Another technique to use time wisely is to prioritize the tasks in a logical progression of tasks along with the amount of time spent on them last month:

Using this table, a board can see clearly where it needs to concentrate its effort and resources. I am sure this board feels that it keeps working on the same stuff and it can't get on to other projects on their "to do list."

The first observation is that anything showing insurance claims should be your number one target item insurance is too valuable to lose and too costly if you have claims. Instead of being reactive to the water leaks, this board should direct all volunteer hours from other projects and focus them on a new task "New Roof" since that is causing the water leaks and consuming most of your time. Besides, surely the property needs insurance before a beautification project and you don't need a reserve study to tell you your roof needs replacing. Once the new task "New Roof" is out of the way, focus your energy and money to the next most important item.

Divide and conquer versus focusing on a single task? Some boards will task different board members with individual projects—so that three projects are underway simultaneously. The theory behind this is that by multi-tasking they will get more done in a shorter time.

Another technique is for boards to work together on a single project and have each member handle sub-sections of the same

project. I have found that this technique is more effective. First, by focusing on a single task, the board can use its collective knowledge and experience to solve problems faster. Second, by working on a single task, more often details will not slip through the cracks. Lastly, the association funds can be focused on one project at a time keeping it easier to keep track of the money and make sure there is enough to foot the bill if contingencies arise.

Some communities may not be aware that some companies that serve the community industry, like ours, provide assistance to customers on an hourly basis and track time spent on each activity with computer programs. The hourly cost of the help, varies based on the skill level of the staff required for the task. By using this method, customers know which activities are being performed and where their money is going.

In my next article I will focus on how to increase the number of volunteer hours at a community. How to enlist the help of other unit owners to participate in committees, and why some boards don't utilize this great resource. Until then I hope you use some of these techniques to focus the necessary resources at your community and get things done faster! ■

Mr. Munz is a former US ARMY Captain where he learned the importance of providing clear guidance and delegating to teammates. Prior to military service, Cornell University business programs taught him the importance of focusing time on tasks that have the greatest impact. Now he works with Pyramid Real Estate Group.