

# **SDAR Election of Officer and Board Members: An Executive Summary**

## **Introduction**

Associations and REALTOR® Associations have evolved into complex organizations as they try to continue to deliver the best benefits to their respective memberships. Many REALTOR® associations have recognized the need to have an organizational structure that enables them to ensure membership is receiving the best benefits available to help them sell more homes. Many of the larger organizations have realized that they need a strong organizational structure that enables professional staff to implement and execute what the membership volunteers determine as critical. In order to do this, the association's common purpose, which must exist throughout every layer within the organization, must be: "What is in the best interests of our members and what is the best way to deliver what our members need?" As a result, associations that have modeled daily operations and long-term strategic objectives after traditional business/corporate models have experienced far better results and success delivering the highest value of benefits to members.

The Greater San Diego Association of REALTORS® (SDAR) has experienced tremendous growth over the last 5 years and we have embraced progressive and pioneering business models that have delivered numerous successes and member benefits. We have become a model for other associations. But, our leadership and professional staff recognized we can do more. We can serve you our members better, particularly when it comes to maintaining a consistent strategic direction that is benefiting the association and you, our members. For the last 11 months, SDAR has explored how our current volunteer structure can better serve our members. A task force was formed to research and study the best structures that other REALTOR® and non-REALTOR® volunteer based organizations utilize. This executive summary provides you with the recommendations for SDAR, as well as the rationale and benefit of adopting the changes.

## **Recommendation**

SDAR has grown from the 15<sup>th</sup> to the 8<sup>th</sup> largest REALTOR® Association in the country, was the 5<sup>th</sup> largest association in California in 2006 and now finishes each year as the largest trade association in San Diego County. The SDAR Election and Nominating Task Force studied the 15 largest REALTOR® Associations in the country, as well as several non-REALTOR® organizations. One area that enabled

these other associations to provide a consistent approach to delivering the needed short- and long-term benefits to their members was their volunteer representation on the board selection of the officers. Specifically, the Task Force learned that all the larger associations with complex business and management models were more efficient and delivered more benefits to the members with an organizational structure set up for the full membership to elect the Board of Directors and for the Board to appoint the officers of the association (for SDAR, that would be the President-Elect, Treasurer, and Vice President). This method of election is widespread amongst organizations many of us are familiar with, such as the Home Owner Associations. After studying, discussing and much careful consideration, the Task Force, Executive Committee and Board of Directors, comprising a total of over 40 volunteers, recommends that SDAR's membership adopt a similar organizational model. Here are some of the benefits and rationale for the unanimous recommendation:

### **1. Common Industry Practice and Traditional Business Model**

The election of the Board by membership and the Board then appointing officers to represent the association is how every state and national association is structured, as well as 13 of the top 15 organizations the Task Force researched, with SDAR included as one of these top 15. In every instance, all of the associations expressed the need to have the Board select the officers while the Board itself was elected at large by the membership. This enables organizations to focus better on the needs of its members without the distraction of contentious campaigns for the officer positions, which can often times change the direction of the association based on political currents. Serving our members deserves an environment whereby good business decisions are made for our members at all times. Additionally, this is the traditional method of selecting Board members and officers by corporations. It enables the elected Board to remain the decision-making body instead of a few officers who may not be as knowledgeable or informed under the current model.

### **2. More Empowered and Knowledgeable Board**

Under the proposed recommended structure, the Board of Directors would be appropriately empowered. As the ultimate decision-making body, the members of the association would elect Board members who best represent membership and empower them to elect officers. The Board of Directors is in the best position to see which fellow Board members are best prepared for an officer's role. Additionally, the current model is susceptible to political or personal agendas of a few rather than the will of the board. This can create dramatic results and sudden changes in direction for the association, making it extremely hard to maintain a consistent business approach that puts the membership's interests first. By ensuring the Board is the decision-making body, members can count on consistent and reliable benefits yearly.

### **3. Better Prepared Officers**

For an officer to be prepared to best serve SDAR's members, be informed of the issues at hand including the associations long-term strategies being deployed, and to maintain a consistent business approach for our members, it is imperative that the officers be current with these issues and business strategies. Under our current policy, a past Board member who hasn't been privy to the issues and dialogue, or familiar with the strategic direction of the association, is eligible to serve as an officer. SDAR must have officers who are informed and prepared. The Task Force strongly believes current Board members are best prepared to step into the position of an officer and continue to lead the organization to success.

#### **4. Improved and Consistent Business Strategies**

With the ever-changing real estate industry, growing competition and the seemingly constant introduction of technical products and services, SDAR's members have received more benefits than ever during the last 5 years along with a strategic vision and direction that has been consistently implemented, and modified as needed. This is a direct result of Board members and officers who are well informed, participate in discussions and are privy to the details concerning the challenges and competition SDAR faces. The Association is at its best when its Board is an informed and empowered body working to ensure SDAR's business strategies line up with its membership needs.

#### **5. More Friendly Elections that Benefit the Membership**

At times over the past decade, the association has experienced campaigns that don't always reflect the level of professionalism we hold as an association. Such campaigns hinder the relationship and reputation we have with our members, affiliates, sponsors, fellow REALTOR® organizations, local community leaders and, at times, the public. An elected Board that selects officers will greatly reduce the chance of unnecessary negative perceptions being formed about the association. Our volunteers strive to protect the image of the association among community leaders and the public at large. It is imperative that our organization operates with proper decorum at all times, in front of all audiences, and upholds the highest degree of ethics and professionalism for the benefit of all members.

### **Conclusion**

In an effort for SDAR to remain a high value to its members, and be in a position to compete effectively to ensure our members continue to receive the best products and services needed for their businesses, the Board of Directors recommends that you, our members, elect our Board and empower it to best represent your interests. This representation includes selecting officers who are best prepared and qualified.

The Task Force, Executive Committee and Board of Directors have concluded it is time that SDAR's process for electing its officers be updated much like its management and business models have been. This will further enable your Association to provide you, our members, with the best possible benefits and service.