Real estate involves the selling, leasing and listing of property, so the broker and agent must be capable, knowledgeable and professional.

However, especially in residential real estate, the client often has strong emotional bonds to the property being listed, sold or leased.

This client is also concerned that the broker and agent care about him or her, and the fact that a home is not only usually the client’s largest single investment, but a sentimental and emotional investment as well.

Building and keeping a good reputation is not easy. It requires effort, dedication and commitment.

According to Gallop Poll in 1993, real estate agents finished 21\textsuperscript{st} out of 25 in the ranking for honesty and ethics, but were ranked ahead of car dealers, congressmen and stockbrokers.

Real estate people are making headway, but there is lots of room for improving the overall public perception of our industry.

**Reputation**

Once a good reputation is built, the loss of that reputation will impact the company’s performance and productivity. Everyone from owners, to supervisors to managers, agents and staff hold responsibility for their companies’ reputation.

It is very important that the company work together as a team. It is a fact, that if one agent in a large office of, let’s say 50 agents, gives poor service, the client will speak badly of the entire company, causing potential harm to agents who did not give poor service.

**Example**

Paul works at Dynamic Realty with 50 other agents. He lists a home for Mrs. Lane. He is late for the first appointment and is not well prepared. Rather than taking the time to do a thorough CMA, he asks Mrs. Lane what she wants for the house. She tells him that she heard houses like hers were “going for” $80,000.

He lists the house at $82,500 and promises to have a sign put in the yard in two days, place ads in the home magazine, and hold an open house on Sunday.
Paul forgets to order the sign for five days. He also forgot to take a photo, so his ad was not ready for another week. He showed up for his open house on Sunday, but he was late. Mrs. Lane was concerned that there had been no offers and only two showings after 30 days.

Mrs. Lane goes to the supermarket and while in line, her friend, Mrs. Price, asks Mrs. Lane how the sale of her house is going.

“Terrible,” says Mrs. Lane. “Those Dynamic Realty agents are lazy and they aren’t doing a thing!”

Even though it was not the “Dynamic Realty agents” that gave poor service, because of Paul’s poor performance, he was harming his company and his co-workers’ reputation.

Maybe a good way to judge a “reputation” is by comparing how closely the company’s identity, image and character compare to one another.

The company’s identity is what the company says it stands for, or “holds itself out” to be, whether or not accurate.

**Example**

Company “A” We are honest and trustworthy.
Company “B”, We are honest and trustworthy.

The company’s image is how the public sees what it stands for or what it does, whether or not accurate.

**Example**

We saw in the news that Company “A” gave a large donation to the poor. We see Company “A” as an honest and trustworthy company.

We saw in the news that Company “B” is being sued for $500,000. We see Company “B” as a dishonest company.

The company’s character is what the company actually stands for and what it does.
Example

Company “A” needed a tax write off and gave a large donation of excess inventory to the poor. It was in the news. Company “A” also has an in-house daycare for its employees and gives everyone their birthday off as a paid holiday. This is not in the news. Company “A”s character has little to do with the donation.

Company “B” is being unjustly sued by a disgruntled employee who is angry for being caught stealing and was terminated. It was in the news. Company “B” also gives 15% of its profit each year to the homeless. This is not in the news. Company “B”s character has little to do with the lawsuit.

The client may judge a company’s reputation on “capability,” “knowledge,” or “trust,” whereas an agent may judge the same company’s reputation on “reliability” and “stability.” A manager may judge the reputation on “ethics” and “profitability,” and an employee may judge reputation on “honesty” and “fairness.”

Each individual has his or her own perception of what a company’s reputation should be, but whatever the perception, once lost, a good reputation is difficult to regain. Companies are wise to research what is important to their clients, agents, management, and staff and promote ideals that meet their criteria.

Ethics

The manager can inspire ethical behavior by referring to a written code of ethics, personally abiding by those ethics, and making it clear that any unethical behavior will never be tolerated.

Gray Areas

Ethical leadership and image building are passionate topics these days. With harassment, insider trading, employee theft, and frivolous lawsuits on the rise, there is little wonder that businesses are trying to focus on the impact of their image.

But even with a sharp focus on ethics, there are always “gray areas.”

Gray areas occur when owners and managers are forced to decide on issues where there are strong arguments on both sides. This is a problem that can make ethical decision very difficult.
Example

Ken started a consulting business a year ago and has been doing very well. About a month ago, he decided to hire someone to help out since he was getting busier.

After interviewing several candidates, he decided to hire the best one of the group, George. He called George on Monday to tell him he had gotten the job.

They both agreed that he would start the following Monday and that George could come in and fill out all of the hiring paperwork at that time.

On Tuesday, of the same week, a friend of Ken’s called to say that she had found the perfect person for Ken.

Ken explained that he had already hired someone, but the friend insisted. “Just meet this person. Who knows? Maybe you might want to hire her in the future!”

Rather reluctantly, Ken consented. “Okay, I’ll meet with her, but I have already hired someone.”

Ken met with Julie on Wednesday morning. She was everything that Ken had been looking for and more.

In terms of experience, Julie far surpassed any of the candidates Ken had previously interviewed, including George. PLUS, she was willing to bring in clients of her own, which would only increase business. Ken knew this was a win-win situation.

But, what about George? He had already given his word to George that he could start work on Monday.

Ken only had the resources to hire one person at this point.

Clearly, the best business decision was to hire Julie.

But what about the ethical decision? If his business did poorly or George couldn’t provide enough support, the business would suffer.

As a result, his family would suffer. Money was already tight, with two kids in college.
But he knew George also had a family he was supporting. Plus, he had been so enthusiastic about starting to work.

Ken had an ethical problem. Should he hire George (whom he’d already given his word) or Julie (who was the best person for the job)?

There are indeed strong arguments for both sides.

After all, Ken is the person paying for services.

Isn’t he entitled to make the best business decision?

Even if he kept his word to George and let him come to work, would he be looking for inferior work habits or other reasons to let him go?

Would it be better for George to have to look further for a job than for Ken to hire an employee with fewer assets?

How would you react in this “gray area”? Why?

**Example**

Victoria opens a real estate brokerage. Agatha comes to work for Victoria as a trainer.

Agatha is not only an experienced broker but she also teaches real estate courses at a local college.

Victoria is busy running the company so she hires Agatha on the condition that she is responsible for the school’s state approval, student records, and all aspects of running the school.

After the first year, Victoria gives Agatha a paid company vacation to a resort.

Agatha took the school checkbook and “borrowed” some funds from the account and spent the money during the vacation.

When Agatha returned to work, she meant to repay the money from her share of student tuition, but the school had a slow down and she was unable to put the funds back into the account.

Now Agatha has a problem.

She is out of textbooks, and doesn’t want to tell Victoria that there isn’t enough money in the school account to order more books.
So, to “buy more time,” Agatha makes copies of the few books she had left. It was commonplace for Agatha to make large quantities of copies, because part of her normal routine included making flyers, outlines, booklets, and manuals for in-house use.

Victoria trusted Agatha and respected her abilities, so she didn’t oversee her actions on a daily basis.

However, unbeknownst to Victoria, this time Agatha was making copies of copyrighted materials.

She was using the materials to cover up the lack of textbooks until she could pay back the money she took without Victoria’s authorization or knowledge.

Soon, Agatha’s actions were discovered, but unfortunately not by Victoria.

Harold, the rightful owner of the copyrighted materials found out what she was doing and filed a lawsuit.

But, Harold discovered that Agatha had no assets.

She didn’t own a house, car or any part of Victoria’s business.

There was nothing Harold could win in a lawsuit.

So, under the advice of his attorney, Harold sued Victoria. The attorney claimed that according to law, Victoria was Agatha’s employer, and Victoria knew, or should have known what Agatha was doing.

Even though Agatha was fired, Victoria was left holding the proverbial bag!

What do you think of Agatha’s actions?

What about Harold’s actions?

What about Victoria’s actions?

Should Victoria be held responsible?

What more could or should Victoria have done?

Was she ethically responsible?

—or legally responsible?

Both?

What about Harold?
Should he have first called Victoria when he heard of her employee’s behavior?
Should he have first tried to work out a solution with Victoria before suing her?
Was he using the situation to “make money,” or was the lawsuit his only way to recover from a wrongdoing?
If Agatha didn’t have sufficient assets to make his lawsuit worthwhile, was he ethical in bringing suit against Victoria?
And what about Agatha?
Were Agatha’s actions ethical?
Were they legal?
Were they “right”?
And yet, Agatha was not sued. Her employer was!
What do you think about this situation?
Why?

Ethical Dilemmas

Kenneth Blanchard and Norman Vincent Peale, authors of The Power of Ethical Management, say there are three questions you should ask yourself whenever you are faced with an ethical dilemma:

1. Is it legal? Will you be violating any criminal laws, civil laws, or company policies by engaging in this activity?

2. Is it balanced? Is it fair to all parties concerned both in the short-term as well as the long-term? Is this a win-win situation for those directly as well as indirectly involved?

3. Is it right? Most of us know the difference between right and wrong, but how does this decision make you feel about yourself?

Are you proud of yourself for making this decision?

Would you like everyone to know you made this decision?

When dealing with “gray decisions,” you may want to ask yourself each of these questions.

By taking the time to honestly answer each question, the right choice becomes very clear.
Developing Your Company’s Ethics Policy

There are definite advantages to owning your own business when you establish your ethics policy.

The Top

If the top people do not set a good example, it is difficult, if not impossible, to persuade your employees to be ethical in business.

A defined ethics policy and standards of conduct provides the foundation for ethical, moral behavior in your business.

The benefit to developing a policy is higher employee morale and commitment which typically leads to higher profits.

But higher profits should not be the driving force behind the policy.

An ethics policy is created to provide guidance in how we relate to each other as a whole and what our responsibility is to the reputation of company.

When you are developing your ethics policy, you must decide what it is you want your company to stand for, put it in writing, and enforce it.

Five Fundamental Principles:

1. Purpose

Your vision and your values define your purpose. Describe those qualities and be specific as to what is considered acceptable as well as unacceptable in terms of conduct in your company.

2. Pride

When employees are proud of where they work and what they are doing, they are much more likely to behave in an ethical manner.
3. Patience
Focus on long-term results. If you cannot be patient you may become focused on only the quick fixes which can lead to “fast”, but unethical alternatives.

4. Persistence
You must be persistent and committed to keeping your word. Your ethics policy is worthless if you are not persistent in keeping your word and committed to standing by it.

5. Perspective
Take a good “bird’s eye view” of your business. Where is it going, and how will you get there? Make short-term decisions that will fit into a long-term picture.
Stay focused on what you would like the world to be, and not on what others tell you it is.

Developing Your Company Image
Do certain images, feelings and thoughts come to mind when you think of McDonalds, Microsoft, Hershey, or Yamaha? The mention of each company name probably called to mind some type of thought, feeling or image, but “Doug’s Hardware” probably does not.
That's because the first four companies created a distinguishable company image.

What’s a Company Image?
A company image is what people think and feel about you, your products and services, or your company.
It not what you think, or what your sales staff thinks or says or what your literature says!
Your image is so important that it can precede your actual contact with a customer. It is so important that it will also follow all customer contacts and set the stage for future contacts.
Big or small, all companies should always do whatever is appropriate to build, improve, protect, and promote its image.

**Simple, But Not Easy**
Building you company image is simple, but by all means not easy.
It’s as simple as creating an image that is easily described and recognized by your target market.
However, this is not easy, because it takes many elements working together to create an image.
Some of the elements used to create an image are advertising, marketing communications, publicity, store locations, prices, and product positioning.

**Identity**
Your company image is your identity in the marketplace. It’s important to note that a competitor might have the same image as you.

**Example**
You open a retail store near another retail store in the same region. Both are known to offer quality service at reasonable prices. Both hire competent, friendly people.
Customers might choose one over the other by location alone.
The same two stores offer quality products at reasonable prices.
However, one store is not as clean or brightly lit as the other. Its employees are not as helpful and friendly.
Customers might choose the clean, brightly lit, friendly store because of those image attributes alone.
Your business will develop an image whether you want it to or not.
Your contacts, vendors, customers, and even neighbors have thoughts, feelings and opinions about you and your services.
In addition to your services, personnel and other human factors, the following items develop, build, create, and form company image.
Your Company Logo
Does it represent the desired affect and feelings in your target audience?

Your Web Site
Does it reflect your business climate? Is it professional, casual, conservative, fun? Is it designed with muted colors, bright colors? Is it up to date, well formatted, easy to navigate, friendly?

Signage
Do your signs and ads have a “look”? Is there potential for recognition and/or “branding”?

Business cards, Letterhead and Invoices
What image do these project? What is the quality, style, “look”?

Office Interior
How does it appear? Clean, orderly, homey, sterile, friendly, inviting?

Office Exterior
How is the condition? Sharp, in need of repairs, window displays, visibility, and parking?

How is the Location?
Convenient, high traffic, central?

Hours of Operation?
Open weekends?

Floor time?
How do your employees interact with customers in person and on the phone? Professional, caring, friendly, smiling, pleasant, polite short, abrupt, helpful?

**How are you and your employees are dressed?**
Professional, casual, comfortable, business?

It is good practice to check and reassess these and other important items on a regular basis.

**Importance of a Company Image**
In service businesses, such as real estate brokerages, your image is of greater importance because you are the company’s product.

You, your staff and your agents comprise your company’s image!

Reputation is only a part of company image.

Your business may have a reputation for being friendly…

…but your company image also includes what your audience thinks and feels about your advertising, your logo, your pricing, your location, your ethics, etc.

**Rules for Success**

**Work smart, not hard!**

What you do and how well you do it is more important than HOW MUCH you do.

A whole lot of something worthless, or a little of something great…which would you prefer to buy?

First build up “quality” by striving for accuracy.

Once you’ve mastered your activity, you will begin to build up momentum and speed to produce “quantity.”

REMEMBER: There is no second chance to make a good “first impression.”
Even though you may be tempted to rush a project to meet customer demand, it is better to introduce your “excellent” product a little later than planned than to prematurely release something untested that could embarrass you with “bugs” and “problems.”

Find a “niche.” Identify a need and specialize in that area to become an expert! People will seek you out.

Protect your reputation. Make it a rule (not the exception) to act with integrity, compassion, morals, and values.

Don’t be influenced by anyone or anything that might tempt you to compromise this rule.

A good reputation is easier to build than to repair.

Once your reputation is tarnished, it is difficult and sometimes impossible to redeem.

Out-do yourself! It’s not enough to just do your best. To be successful, you must strive to constantly improve.

Find out what your customers want and need and ask what you can do to improve service.

Discover new solutions and options.

Let your creativity flow.

Explore and become inspired.

Then respond to your customer’s needs by applying your innovative ideas and techniques to your specific field.

Be flexible, be brave, and be bold.

Venture out into the unknown and embrace it. Nothing great comes easy.

Changes are inevitable, so make change a friend.

Refrain from living in the past or in your old “glory days.”

**Plan to SUCCEED!**

Determine what success is to you, and chart your course to get there.

Too many businesses start up with a vague goal, such as “I want to be rich,” or I want to be the best.”
But these are not really goals at all. These businesses exist day-to-day without any real long-range plans or goals.

Make a written plan for YOUR success. Decide where you want your company to be in one, three and five years – and WRITE your step by step plan of action to get you there.

UNDER-PROMISE. . . and OVER - PERFORM.

If you promise 10 things and deliver nine, your customer will be disappointed, even though you did nine things. Your customer will see this as getting less value than expected.

But what if you promised four things, and did five? Your customer will see this as extra service and will feel he or she got more value than expected.

You will never regret going the extra mile to give exceptional quality, service or value. Your customers will remember and reward you with their continued business.

Put it into ACTION

Nothing will happen without ACTION. All the plans and good intentions in the world do not amount to a thing until you “do something” with your plan.

Carry out your plans, make changes when you need to, and hang in there! Lots of opportunities are missed because someone gave up too soon!

**Creating a Company Image**

A company image is an intangible item. You can’t touch it or feel it, but it is the service-based company’s most important asset.

Established company images can be changed and shaped through planned, consistent marketing strategies.

Your company’s image will be formed whether you guide its creation, or just “let it happen.”

The public will form opinions and feelings about your company based on what they see, hear, experience, and think.
Since your company image is your greatest asset, it is extremely important to have a plan to create a positive image through your marketing strategy, communications, and product and market positioning.

To begin building your company image, analyze how your company and its products are the same and different from your competition.

You may decide to conduct an analysis to discover what your target audience currently holds as your business image.

This analysis can help you look at your company objectively from the perspective of your customers, rather than your own.

It is also important to research what your competitors and their customers think of you as well.

This invaluable data can be used in the following strategies to develop an effective plan to build, change or to preserve your company image:

**Communications**

Develop brochures, business cards, advertisements, and materials that reflect the image you desire.

**Example:**

ACME Catering Service designs materials that depict gourmet foods, fine dining, entertainment, etc., by using professional photos of dinner parties, wine lists, menus, specialty cuisine images, etc.

**Pricing Strategy**

Your pricing may impact your desired company image. You may decide to price your product or services lower than your competitors to the bargain leader. Or, you may decide it is best to focus on first class customer service, but at a higher price point.

**Sales Strategy**
Your sales strategy and promotional tactics should match well with your desired company image. Some companies enjoy success using fun or unusual sales ploys. Other types gain recognition through more polished and sophisticated marketing strategies.

**Customer Service**

The company’s customer service policy can impact its image. Your customer support and service policies should be consistent with your desired image.

**Promotions**

Your promotions in publications should match your desired image.

**Example:**

Hilda, the owner of Waterlove Brokerage, specializes in waterfront properties. She places her focus on her advertising and publicity efforts in publications featuring exclusive lakes, river property, and recreational or boating magazines, rather than using promotions in magazines geared to bargain hunters.

Tie in promotional events to your desired image.

**Example:**

Jack owns Builtbest Homes Realty. Each summer he sponsors and participates in a new home show.

**Target Marketing**

It is not enough to just sell your service or product. It is much more effective to aim your service or product at a particular audience and educate that audience on the features and benefits of your product or service.

**Example:**
Brenda, a buyer's agent, is looking for new business. She plans a Free Seminar for Homebuyer's in her area. She will bring in the best lenders, closers and other experts to help buyers who are considering a move to the area. By providing this service, Brenda has reached a “target” market to whom she will offer her services.

Promotion of your business and its services will help to capture market share. Examples of advertising and promotion are:

**Word of mouth**

This is possibly the best source of advertising. It costs nothing and holds the highest credibility. This should be the goal for all businesses; however, this method may take a lot of time to develop.

**Direct Mail**

Direct mail is used effectively by many successful real estate professionals. It is relatively inexpensive, if targeted to the right market and sent out on a regular basis.

It may offend some potential customers, so it is best to have and maintain a “remove” or “unsubscribe” list so that mailers are not sent out to those who do not want to receive it.

**Local Newspapers**

Newspaper advertising is used by most real estate professionals. It can be costly, especially if large display ads are used.

However, smaller, well-written classified ads can be an effective means of promotion.

Consider contacting local newspapers to print press releases concerning your business and services. Press releases are free and hold high credibility.

Another effective method is to submit articles for publication to local newspapers and tabloids. Having your articles published may hold you out as an expert in your field and attract potential customers.

**Radio and TV**
Radio and TV spots are usually very high cost and may or may not be beneficial. If you use radio or TV, it may be to your advantage to seek out special promotions and offers for discounted spots.

**Yellow pages**

In the past, when there was one main phone directory, the yellow pages were considered to be very important advertising for a real estate company’s image and promotion. Many brokers still feel that it is effective.

However, now there are many different phone directories, which may dilute the broker’s efforts. Check the pricing of the ads and other factors to see how it fits into your budget. Also check your competitors ads to help determine if this is a necessary cost, or if it is a value.

**Developing and Practicing Ethics**

Ethical development may be a career-long process but its success lies in small incidents of right choices and moral decisions. Ethical development never stops unless an individual decides that ethical behavior is not worth pursuing.

If the student believes that his or her ethical development ends when he turns the tassel on the graduation cap, it may be that this individual will lose out on the real meaning of moral growth.

It is easy to not rethink and redirect actions, thoughts, or attitudes particularly when those around us have stagnated in their own lazy ways.

Professional ethics are meaningless unless they fit well with what we actually do. All professionals must consider the ethical implications of acts.

**Ethical Self-Image**

Our self-image is created when we are children, by those around us and the way they communicate with us. However, as we become adults that self-image is our personal responsibility.
We all have an image of ourselves on the good side and our bad side. Our good side shows when we act ethically.

Within the ethical framework of our consciousness, we probably have an image of what an ethical community, an ethical business, an ethical government, or an ethical society should be.

The foundation of ethics begins with the way each individual treats another individual.

It is important to make ourselves accountable to someone. For example, we might say something or do something and it seems to be okay.

However, when someone else looks at it from the outside the same words or actions may raise all sorts of ethical questions.

**Questions that might be worth asking:**

- Do my individual professional ethics fit what I do in each part of my day-to-day work?
  - Do I take into account pressures, needs, ambiguities, gray areas and other realities that I might face?

Professional ethics must be realistic to real life situations.

Ethical solutions hold you steady when the answer is difficult and may take some thought.

**Considering a Framework of Ethical Standards**

In every profession there is a basic foundation of formal ethical standards, laws, and published research.

The laws include both legislation and case law.

It is important that organization's ethics and standards are made clear in both a professional and legal aspect.
Relevant ethics codes, legal standards, policies, procedures, and research do not always dictate the most ethical approach to a specific situation.

However, awareness of the ethics codes and standards is crucial to competence in the area of ethics in any organization or corporation.

Formal standards of ethics are not a substitute for an active, deliberative, and creative approach to fulfilling ethical responsibilities.

Standards are more of a guide to assist in the ethical consideration of various decisions that have to be made.

But, ethics must be learned from the inside out. Ethics comes from knowing the right thing and doing the right thing.

Each client is a unique individual.

Each situation is unique and is likely to change significantly as additional elements and individuals come into play.

Some codes and principles may clearly designate actions as clearly unethical.

However, there are others which are not as clear.

Ethical codes and standards help us identify the degrees of ethical concerns that are likely to be significant.

Standards can establish essential tasks that we must fulfill, but they cannot tell us how we can accomplish these tasks with each client facing unique problems.

**Moral Theology**

Moral theology is not simply just understanding in a factual way, but more about one’s personal faith and personal beliefs.

Rather, when practicing moral theology, individuals try to understand more about the way to make sense of the method of reasoning.

Moral theology points us to making sense of life and how to have happier and more meaningful existence.

Practicing moral theology means asking ourselves what is right, and practicing good ethics.
When theology, ethics, and moral theology are joined together in a workable fashion, all elements and facets work.

**Ethical Relativism**

Ethical relativism is the theory that holds that morality is relative to the norms of one’s culture, and that the belief that no absolute moral code exists.

That is, whether an action is right or wrong depends on the moral norms of the society in which it is practiced. The same action may be morally right in one society but be morally wrong in another.

For the ethical relativist, there are no universal moral standards -- standards that can be universally applied to all peoples at all times. The only moral standards against which a society’s practices can be judged are its own.

If ethical relativism is correct, there can be no common framework for resolving moral disputes or for reaching agreement on ethical matters among members of different societies.

Most ethicists who reject the theory of ethical relativism claim that while the moral practices of societies may differ, the fundamental moral principles do not.

While some practices would be condemned in our society, most would agree with these societies on the underlying moral principle which is to care for parents. So, when societies differ in their application of fundamental moral principles, they agree on the principles.

**Ethical Approaches**

Consistency is important in all facets of one’s life and applicable to the concept of ethics.

Ethics provide us with a guide for moral living. In order to do this, it must be rational, and in order to be rational it must be free of contradictions.
If one’s ethical principles and practices lack consistency, the concept of being rational people, will be at a loss as to what is proper to do and those people will be divided about how to live.

Ethics require consistency in the sense that moral standards, actions, and values should not be contradictory.

Examining our lives to uncover inconsistencies and then modifying moral standards and behaviors so that they are consistent is an important part of moral development.

Ethics are simple if you believe that consistency is central.

If an individual treats all human beings the same, one may believe that he or she is acting ethically all the time.

Ethical behavior, they argue, is simply a matter of being consistent by extending to all persons the same respect and consideration that we claim for ourselves.

**The Utilitarian Approach**

Utilitarianism was conceived by Jeremy Bentham and John Stuart Mill in the 19th century to enable legislators to determine which laws were morally the best.

Both these men felt that ethical actions are those that provide the greatest balance of good over evil.

The Utilitarian approach first identifies the various courses of action which are available, and then determines who will be affected by each action and what benefit or harm will be derived from each.

The individual then chooses the action that will produce the greatest benefit and the least amount of harm.

The ethical action is the one that provides the greatest good for the greatest number.

Ethical corporate action is the one that produces the greatest good and does the least harm for all within the community.
Utilitarianism is very straightforward in deciding the morally right course to take in any particular situation that may arise.

Problems With Utilitarianism

Utilitarianism may be a very well-liked and common ethical theory, but it has some holes in its theories.

One defect is the difficulty in relying on it as a sole method for moral decision-making.

The utilitarian calculation requires that values be assigned to the benefits and harms resulting from actions. Then the benefits and harms are to compared.

Values are difficult to measure and more difficult to compare with benefits and costs.

Utilitarianism fails to take into account the considerations of joint justice. There may be a course of action to take which would produce great benefits for society, but they would be clearly unjust.

If our moral decisions are to take into account considerations of justice, then apparently utilitarianism cannot be the sole principle guiding the critical decisions.

It can, however, play a role in these decisions. The principle of utilitarianism invites individuals to consider the spectrum of the immediate and the less immediate consequences of our actions.

The Rights Approach

Philosophers and ethicists have suggested through the years that the best ethical action protects and respects the moral rights of the individuals in whatever community you are in — business or personal.

The rights approach begins with the belief that each individual who makes up humanity has dignity, and roots which ground their ability to choose freely what they do with their lives.

This philosophy stems from the 18th century philosopher, Immanuel Kant. In essence, every individual has the right to be treated as the
end, rather than the means to the end.

A distinguishing factor between “humans” and “things” is that humans have dignity based in their ability to choose without restraints as to what they will do with their lives.

**Leadership**

The top agent does not necessarily make the best real estate manager. In fact, they are almost always two very different personality types. The "very experienced, top-producing agent" may feel that he or she knows much, much more than the "five-year, average-production, former-agent manager;" but in reality, the manager is probably better at putting out fires, recruiting new agents, arbitrating petty arguments, taking care of an office full of very independent contractors, and all the other "fun" things managers do.

Great agents usually want and need to be liked by everyone. A good manager knows that making everyone like him or her, all of the time, is not only unlikely, but also a sign of poor office politics.

The manager must be fair, play no favorites, and make hard decisions concerning people he or she must work with every day, AND carry out the policies and procedures of the broker/owner.

Even though the manager need not (probably should not) be a top producer, he or she must be experienced and competent as real estate agent and have the respect of the agents.

If the manager is not experienced, educated and competent, he or she would not be fit to direct, advise, train, guide, and support the agents. The most effective form of gaining cooperation is by having the leader work with the agents and provide a good example.

Leadership also involves the development and implementation of good company policies. Establishing policies and procedures that outline the expectations of the company can help agents and staff members to work with less supervision and more harmony. This also gives the manager more time for mentoring and giving individual attention to help his or her agents succeed.

**Credibility**

If your agents do not believe that you have the background or experience to lead them, they will not be interested in what you have to say. Successful managers are committed to their profession and the success of their agents.

Without experience in the real estate business, a manager could still collect facts and provide information, but, without knowledge of the business and wisdom from practical experience, information alone can be nearly worthless.
Like credibility, leadership is important to gain the confidence of the agents. The successful manager is able to lead others by “recruiting” them to their path of thinking.

Agents are a group of people with their own individual problems, challenges, backgrounds, and motives. Your commitment to excellence, caring, building strong rapport, and finding common threads with your agents is not only rewarding and bonding, but will keep your influence strong with your agents. To be effective, the manager should have highly developed communication skills and know how to effectively use body language, voice inflexion, and eye contact to show not only an active interest in the agents, but self-confidence as well.

Of course, leadership also involves enthusiasm for the real estate profession. Even if you had a room full of eager new recruits, excited about a new career, it would be difficult for them to remain enthused, if the leader of the company was not. Energy, excitement, and enthusiasm are contagious.

As manager, you can bring “life” to real estate for your agents by having them ‘mentally’ living your experiences as you share them at sales meetings and goal setting sessions.

Being descriptive and "visual," using examples and names (even using your own agent's names in examples) can be effective and memorable.

Leaders have a natural instinct to help people by giving their best advice, searching for answers inspiring, and truly caring about their agents. They want to help others succeed.

**Management Types**
Managers and agents are made up of many different personality types. Although there is no "wrong" personality type, there are certain advantages and disadvantages in each of the following management types.

**Everyone’s Friend – The Amiable Manager**
This manager was quite often a successful agent, who wants win approval as manager by trying to please everyone. He or she usually is very trusting and tends to look the other way instead of reprimanding, criticizing or disciplining. The "Amiable" does not like to confront anyone and often will not do so unless (or until) the matter is very serious or too late.
Although the manager is friendly, he or she may not be respected as a leader. Rules tend to be overlooked, paperwork can be careless, and the company may lack structure.

This manager also may be displaying the "Amiable" tendencies because he or she is inexperienced, untrained or insecure. This type may improve and become a stronger manager over a period of time with proper training. If this manager does make changes to become a stronger and better leader, he or she should do so in an organized manner.

The worst thing this type can do is to let things go until the frustration from lack of control causes the manager to make abrupt and extreme changes. To correct the lack of structure and regard for rules, the manager may suddenly become strict, rigid and resentful. This change can bring confusion to the agents and cause them to leave the company.

"The Boss" – The Tough Manager
This manager let's you know that he or she "owns the place," he or she "is the boss" and you will "do what I say." Instead of good communication, there is usually a "power trip."
"The Boss" type is usually an ineffective leader, often insecure, and has a lack of confidence, but tries to makes up for it by being bossy, overbearing and self-important. This manager cannot get the cooperation and respect of the staff, and because he or she uses no tact in handling people, resentment builds and grows. This situation causes poor morale, low retention, and difficulty in recruiting. Unless this manager makes dramatic changes, the company would have a dismal chance of survival.

"Our Leader" – The Respected, Effective Manager
This type of manager is confident, motivating, enthusiastic, team spirited, and caring. This is a "people-person" with great communication skills. "Our leader" type is tolerant, but not careless about rules, paperwork, structure, or policies. This manager is respectful and appreciative of everyone's contribution to the company. Rather than "driving" people, he or she "guides" people to make the right choices. "Our leader" creates an environment of high morale and maximum productivity and doesn't boast or brag that "I'm the boss." This leader will instead say, "We are a team."
Building Image and Reputation
Real estate involves the selling, leasing and listing of property, so the broker and agent must be capable, knowledgeable and professional.

However, especially in residential real estate, the client often has strong emotional bonds to the property being listed, sold or leased. This client also is concerned that the broker and agent care about him or her, and the fact that a home is not only usually the client's largest single investment, but a sentimental and emotional investment as well.
Building and keeping a good reputation is not easy. It requires effort, dedication and commitment.
According to Gallop Poll in 1993, real estate agents finished 21st out of 25 in the ranking for honesty and ethics, but were ranked ahead of car dealers, congressmen and stockbrokers.
Real estate people are making headway, but there is lots of room for improving the overall public perception of our industry.
Once a good reputation is built, the loss of that reputation will impact the company's performance and productivity. Everyone from owners, to supervisors to managers, agents and staff hold responsibility for their companies' reputation.
It is very important that the company work together as a team. It is a fact, that if one agent in a large office of, let's say 50 agents, and gives poor service, the client will speak badly of the entire company, causing potential harm to agents who did not give poor service.

Example
Paul works at Dynamic Realty with 50 other agents. He lists a home for Mrs. Lane. He is late for the first appointment and is not well prepared. Rather than taking the time to do a thorough CMA, he asks Mrs. Lane what she wants for the house. She tells him that she heard houses like hers were "going for" about $80,000.

He lists the house at $82,500 and promises to have a sign put in the yard in two days, place ads in the home magazine, and hold an open house on Sunday.

Paul forgets to order the sign for five days. He also forgot to take a photo, so his ad was not ready for another week. He showed up for his open house on Sunday, but he was late. Mrs. Lane was concerned that there had been no offers and only two showings
after 30 days.

Mrs. Lane goes to the supermarket and while in line, her friend, Mrs. Price, asks Mrs. Lane how the sale of her house is going.

"Terrible," says Mrs. Lane. "Those Dynamic Realty agents are lazy and they aren't doing a thing!"

Even though it was not the "Dynamic Realty agents" that gave poor service, because of Paul's poor performance, he was harming his company's, and his co-worker's, reputation.

Maybe a good way to judge a "reputation" is by comparing how closely the company's identity, image and character compare to one another.

The company's identity is what the company says it stands for, or "holds itself out" to be, whether or not accurate.

Example
Company "A" - We are honest and trustworthy.
Company "B" - We are honest and trustworthy.

The company's image is how the public sees what it stands for or what it does, whether or not accurate.

Example
We saw in the news that Company "A" gave a large donation to the poor. We see Company "A" as an honest and trustworthy company.
We saw in the news that Company "B" is being sued for $500,000. We see Company "B" as a dishonest company.

The company's character is what the company actually stands for and what it does.

Example
Company "A" needed a tax write off and gave a large donation of excess inventory to the poor. It was in the news. Company "A" also has an in-house daycare for its employees and gives everyone their birthday off as a paid holiday. This is not in the news. Company "A"s character has little to do with the donation.
Company "B" is being unjustly sued by a disgruntled employee who is angry for being caught stealing and was terminated. It was in the news. Company "B" also gives 15% of its profit each year to the homeless. This is not in the news. Company "B"s character has little to do with the lawsuit.

The client may judge a company's reputation on "capability," "knowledge," or "trust," whereas an agent may judge the same company's reputation on "reliability" and "stability." A manager may judge the reputation on "ethics" and "profitability," and an employee may judge reputation on "honesty" and "fairness."

Each individual has his or her own perception of what a company's reputation should be, but whatever the perception, once lost, a good reputation is difficult to regain.

Companies are wise to research what is important to their clients, agents, management, and staff and promote ideals that meet their criteria.

The manager can inspire ethical behavior by referring to a written code of ethics, personally abiding by those ethics and making it clear that any unethical behavior will never be tolerated.

**Sales Meetings and Agendas**

Sales meetings should be highly productive, informative and well worth attending. In order to make these meetings interesting to your agents, ask for their ideas and include discussions of topics that they request. Agents often want and need to know more about specific types of loans, environmental issues, zoning and planning, and other factors that affect their income and ability to provide good service.

Most agents also enjoy and benefit from hearing from other top-producing agents who are willing to share their marketing, technical and negotiating tips.

It is also an opportunity to take advantage of the exchange of information on new listings, price changes and buyer's needs. It is likely that an agent with a qualified buyer will find lots of help from active listing agents at the sales meeting.

An agenda should outline the topics to be covered. These should be passed out at the beginning of the meeting and if an agent misses the meeting, a copy can be
placed in his or her mail slot. The agendas should be dated and kept on file in computer, file or binder for future reference, training or updating policies.

To keep your meetings exciting and valuable, use plenty of visual and audio stimulation.

Even playing some upbeat music as everyone enters the meeting room can lift spirits and set the tone. Overheads, slide show presentations and videos can also be used as an enjoyable way to teach new ideas.

The more group interaction you have, the more stimulating the meeting will be. Encourage your agents to take part in "brainstorming sessions" or group discussions. Ask them to role-play, give a demonstration, or share a "real life" example.

Agents work for their clients, and have to schedule their days accordingly. To make the meetings for your agent's schedule, the meetings should always begin and end on time. It is not up to the agent to have to reschedule an appointment because the sales meeting started or ran late.

Showing appreciation for new agents as well as accomplishments of your veteran agents is always welcome. Ask how these accomplishments came to be. What was their "secret"?

Discuss what you and other agents can do to help agents with any difficulties they may be having.

Who says your sales meeting has to be at the office? Try holding your meeting at different locations once a month. When the weather is nice, it could be held outside in a park, or inside at a donut or coffee shop.

The best time to begin writing your next week’s agenda is right after your meeting. Anything that comes up in this week's time should be noted and considered for your next meeting. Note any changes in the market, interest rates, and technology and of course, ask your agents for input and suggestions.

**SAMPLE AGENDA for Thursday, March 16th**

GOOD MORNING! Welcome New Agents! Barbara Smith, Jim Brown, Lad Jones
Judy and Liza. We are glad you're here!

CONGRATS TO THE FOLLOWING ASSOCIATES:
TOP LISTER - Sue Montgomery
TOP SALES - Dave Thomas
TOP CLOSINGS - Linda Gold

THIS WEEK'S' GOOD NEWS!
Our sales are up 15% over last quarter, meaning an increase of market share of 25%.
Our per-person productivity is on the rise and it looks like we have brought on a new homebuilder for our north subdivision.
Interest rates are down and there was a great new "first time homebuyers" loan just announced yesterday. Kelly Green is here today to show you how it works.
Food Drive Coming Up: Need volunteers. The sign up sheet will be going around this A.M. Please help. Thanks to all veteran agents for assisting at the Career Night last Saturday - It was a success - WE APPRECIATE YOU!

This weeks NEW LISTINGS
444 Post 124 Road RD
6884 44th Ave
808 Open Hwy
333-696 Duplex Lane
33967 Country Rd
A tour of these properties will take place this morning after the meeting.

Price/Term Changes
Buyer Needs
New Ideas

SUCCESSES
Agent input and appreciation
Education update

Personal Notes: (insert positive notes and lots of fun or funny things that happen at work, at home the kids , , , , friendly… cute….etc.)

Developing a Mission Statement
Creating a mission statement that fits your company's ideals is important. If it fits, it will be used as an everyday guide in conducting your business.
It has become a popular part of the real estate business culture to have a defined mission statement to help executives and employees reach company goals. The mission statement should be a description of who you and your company are, what your company does, what your company represents and why your company believes in these proclamations.

To be effective all employees, agents and other members of the company should be asked for their opinions, ideas and input for the creation and development of your company mission statement.

Your company will work better as a team when everyone feels they had a part in the making of the statement.

The mission statements should be short enough to commit to memory. A very long mission statement may seem to try to "cover everything," which is not the idea. The mission should contain a few of the major priorities and main ideals of the organization.

The mission statement should be a balance of practical and emotional ideals. To be taken seriously, the mission statement should be kept direct and simple, truthful, powerful, and realistic.

Read other mission statements to avoid looking like the others. Go for the unique qualities of your company, but try not to look like an advertisement by boasting about how wonderful or great your company is.

Be sure your mission statement accurately portrays your company as it is. Do not use the statement to inflate or puff its virtues. Your mission statement is a summary of your company and its people.

You must believe in your mission statement, or no one else will.

Let the public know that your company considers its customers' needs for increasing value and quality a top priority.

Keep your mission statement updated and timely.
"If you don't use it - you lose it"! Make sure everyone in your company has a copy and uses the mission statement in their presentations, sales meetings, and recruiting materials.

**Developing Company Policies**
Most people feel more secure in a work environment where the expectations of their performance and behavior are clear. The purpose of a policy and procedure manual is to avoid misunderstandings, prevent problems, and establish methods of solving problems and/or disputes, before they happen.

Your company policy and procedure manual also can be a powerful recruiting and retention tool when used in interviewing, hiring, and retaining agents.

By showing a prospective agent your policies, he or she could get a good idea of how the company functions and what is expected of everyone.

Once the agent has joined the company, the manual can provide good basic training of day-to-day operations and responsibilities.

Having and keeping an updated policy manual helps the company manage more efficiently and consistently by setting standards to maintain good relationships between agents, staff and management.

It is important that the manual is kept up to date. Agents should be encouraged to provide helpful input, ideas and changes. The weekly sales meeting is a great place to ask agents to work together on ideas for improving, revising, updating, or adding to the policy.

This is a book that is meant to be changed. As circumstances, laws and your company change, so will your policies.

However, avoid adding in any policy that is vague or that you really don't intend to follow. It is also very important that all policies be "impartial" and affect all agents.

All revisions should have the revision date on the page. The manual is not intended to be a contract, "legal" document, or all encompassing rulebook. This manual will not cover all situations and there will always be "exceptions."
To be effective, it should be clearly written in "Plain English" and include guidance for daily functions such as paperwork, ads, floor time, sales meetings, lock box keys, forms, etc.

Your policy manual is your established "standard operating procedure." The policies are not rules "cast in stone," but with a good set of standards, the manager can narrow most dispute resolutions to the "exceptions."

The manual should have remedies for resolving disputes and handling exceptions to the policies, but if too many exceptions occur, the standard should probably be revised. The goal of the policy manual is to cover "most" of the people, "most" of the time.

Sample Policy

The following is a generic sample of a fictitious real estate company. You may use it as a guide. However, it is important to remember that because owners and brokers have different views, ideas, motivations, procedures, and policies, each owner or broker should develop a policy manual that corresponds to their particular manner of doing business.

This sample policy will not, and should not, fit all companies. A good policy manual should cover the main areas shown in this sample and can eliminate many potential problems before they occur.
SAMPLE REALTY is herein referred to as Company, Broker, Office, Realtor, Firm or Management and Associates will be referred to as Brokers. The association of the Company to its Brokers is that of Independent Contractor and no Employer/Employee relationship exists or is to be implied from any title, provision or language used in this Manual.

One important goal of SAMPLE REALTY is to provide the greatest possible opportunity for personal and economic satisfaction for its Brokers. Ultimately, however, the success of Brokers is theirs to make. They are, in many ways, in business for themselves and will be respected as such.

THE OBJECTIVE OF THE COMPANY IS TO MAKE A PROFIT. This can only be attained through our integrity, high principles and the ability to obtain results in all Real Estate matters. Every Salesperson is a part of this reputation and is expected to uphold it.

BROKER-SALESPERSON RELATIONSHIP
The opportunity is taken here to remind each Salesperson to read, and from time-to-time reread, the State Real Estate License Law. Brokers are required to follow the law to the letter.

Brokers are reminded, particularly, that the Broker is responsible for their acts. It is our belief that if Brokers adhere carefully to the guidelines, the Broker will never have occasion to appear before the Real Estate Commission in their behalf.

Brokers are reminded, again, that they are Independent Contractors. The company will have no obligation to withhold taxes or Social Security from brokerage fees. To the benefit of both the Salesperson and the Firm, both parties will sign an Independent Contractor Agreement. In addition, at the beginning of each calendar year, an Independent Contractor Affidavit will be completed and signed by the Salesperson and Broker.

SUPERVISION
Except as required by state law and rules and by-laws of multiple listing association to which broker is a member, no reports are to be made by salesperson and broker will undertake no supervision. The Broker may from time to time provide the salesperson with income and expense and production reports. Salesperson is expected to endeavor in such a manner as salesperson sees fit providing the actions is legal, ethical, professional, and approved by the broker. The broker will not control, except as required by state law, the method of so
performing legal, approved, ethical, and professional actions by salesperson. It will be the responsibility and the duty of the salesperson to conduct all transactions in a professional, legal and ethical manner.

RISK REDUCTION

Besides the obligations of all agents to practice risk reduction in all areas, at all times, all affiliated licensees are expressly prohibited from preparing or making available a market analysis, market appraisal, or opinion of value for any purpose other than to estimate a possible list price for property listing, and are further prohibited from charging any amount of money for this purpose and are prohibited from preparing or making these available for insurance, probate, court or legal proceeding, lawsuit, loan, request, or any other non-listing purpose.

Agents will not show, walk, or otherwise describe or point out boundary lines, or make representations of the presence or lack of presence of utilities or any other seller representation. Agent agrees to accept these conditions and indemnify the broker completely, if this condition is not met.

ETHICS

Defined simply, the word ETHICS means moral principles and quality of practice. In the Real Estate business, ethics govern our professional relationship with our prospective buyers and sellers and with our fellow Realtors. Our ethics represent our honesty, integrity and spirit of proper conduct.

The Company is a member of the National Association of Realtors, the State Association of Realtors and the local Association of Realtors. Each Salesperson, after association with the Firm, will make application for membership to the required Association of Realtors.

Each Salesperson in this Company should read the Code of Ethics as set forth by the National Association and the codes adopted by our local Associations and Multiple Listing Services. It is a must that every Salesperson live up to these codes. It is fundamental to say that to be successful, one must be ethical. We set ourselves apart from all others with our outstanding professionalism and conduct toward all Realtors at all times.
It is our goal to never cause any harm to our fellow agents and to never have to appear before a grievance board. Most conflicts between agents and companies are due to misunderstandings or a lack of communication. We will do our best to solve all misunderstandings in a timely manner, to avoid conflict.

I. OPERATIONAL GUIDELINES

1. ACTIVITY ASSOCIATION
   A sale board will be kept in the office to record daily activity regarding listings, sales, price reductions, and changes. The agents will update the board. In offices where there is a reader board, the sales manager will select an ad, and the secretary or an appointed agent will place the ad upon the board. The manager will rotate the ads among all agents, using the most representative ads. Reader boards also will be used as a public announcement of upcoming office events (open houses, grand openings, career nights).

2. AGREEMENTS / DELIVERY
   A copy of any written instrument must be given to the client or prospect when it is signed. This is especially important if the document is a contract. In order for there to be acceptance of an agreement by a party, delivery to that party is required. Delivery of a copy of every agreement must be given to all clients immediately, to become considered a legal binding contract. All paperwork is to conform to our office procedures, and items on our paperwork checklist are to be completed by the agent. Upon each accepted sale, a commission dispersal agreement will be filled out completely by each agent before any commission payment can be made to the agent.

3. AGREEMENTS / EXPLANATION
   SAMPLE REALTY agents will explain all provisions and ask if the document is completely understood. Without exception, they should read all contracts and agreements affecting the rights and liabilities of the parties. If a client or prospect is vulnerable (recent death, divorce, trauma, or other major problems), or has difficulty in speaking, reading or understanding the English language, advise the party to retain an attorney. Should the party decide to rely on the advice of a relative, friend or other person, that other person should sign as a witness to any agreement. If Brokers feel that a party does not understand the obligations or conditions of a transaction, they should recommend that an attorney be retained.

4. ATTORNEYS
Attorneys send us a great deal of business and we appreciate it. It is generally a great advantage to a Broker when counsel represents a party to a transaction, and it is important that a Salesperson inquires as to the correct name of the attorney representing the parties. Under no circumstance is representation by an attorney to be discouraged.

5. ATTORNEYS / OFFICE
The Company advises all parties in a transaction to obtain the services of an attorney, does not recommend a specific attorney, and lets the client chose freely.

6. AUTOMOBILE INSURANCE
Brokers will furnish their own automobile and pay all own expenses and will furnish Broker with a binder showing the name of the Company with whom insured, policy dates, type of coverage, and limits of liability for personal injury and property damage. $100/500,000 or higher coverage is required, if stated in the agent contract. Broker will be named as "Additional Named Insured" in all policies.

7. BROKER COMPETITION
The Broker RESERVES THE RIGHT to list properties and work with prospects as desired, however, it is not the policy of the broker to compete with the company agents.
Agents are considered to be first in line for all office referrals. All office-generated leads will be split on a 50% basis with the company, and may or may not be accepted by the agent unless otherwise agreed in writing.

8. BUSINESS CARDS
The company, using the company format only will pay for the first 1,000 business cards.
See your manager for approved format. The Brokers will pay for all additional business cards. The cards must be uniform and bear the Firm's logo. No titles other than sales associate will be allowed, except in the case of a hired manager or trainer. No one will use "specialist," or "expert," or any other distinction without written permission from the company owner. This is intended to lessen liability for the agent, and not as a hindrance. All cards must have a photo of the agent and the company phone number. The back message of the card must conform to the company format, or be approved by the owner prior to printing.

9. BUYING AND SELLING PROPERTY
The Company does not object to Brokers buying or selling Real Estate either as individuals or as members of a syndicate or group.
When Brokers are buying individually, or as part of a group, they must inform the owner of their licensed status. Brokers buying or selling an investment property through the Company, for their own account, will pay the Office a percentage of the purchase or sale price equal to the usual Company share of the brokerage fee. Purchase of Company listings must be discussed with Management prior to a contract being written and is not encouraged.

The Company has the right to participate in any purchase involving a company listing.

When the Company and Salesperson jointly purchase a property:

a. If the sale involves a property listed by a Salesperson other than the participating Salesperson, then a listing fee must be paid to the listing Salesperson.

b. If the sale involves a property listed by the participating Salesperson, the Salesperson may take a listing fee based on a 50/50 fee arrangement.

A Salesperson may buy or sell a personal residence without paying a brokerage fee to the Company once per year provided it is for their own use as the main personal residence. This does not include investment properties. However, if any of our company forms and/or expertise advise from our brokers or agents, or any agency exists within the transaction, or if any liability to the company is attached to the transaction or if MLS is involved, then a minimum of a 6% brokerage fee must be paid to the Company.

10. CHARGEABLE EXPENSES

A Salesperson traveling out of town to obtain a listing or effect a sale must be prepared to meet the expense of such a trip. For example: automobile, food, entertainment, lodging, etc.

Office supplies, such as letterheads and envelopes to be used by the Salesperson for individual newsletters or mail outs, will be purchased from the supply catalog. Brokers will use only company supplied pagers. The pagers will be supplied at no cost to the agent in each month that the agent has written a bonafide listing or sale.

In general, Brokers pay for personal business expenses such as insurance, license fees, trade association memberships, sales promotional items, and business cards. A proportionate share of the Errors and Omissions Insurance will be paid by each Broker on a per transaction basis. Agents/Associate Brokers will be responsible for their own deductible amounts owing. Other specific expenses chargeable to Brokers are mentioned throughout this Manual.
11. Chargeable Items
SAMPLE REALTY will not make loans to agents or give draws on commissions. Accounts receivable must always be in a current condition and paid full each month.
When an agent has many commissions due to close, it may be the choice of the company accountant to deduct the amount owing from the commission checks. If at any time the amount due on ARs is over $200, arrangements to make payments must be made by agent and the accounting department until ARs is fully paid.
On all items billed to the Company and chargeable to a Broker, an account is kept and at the end of each month, the Company will be reimbursed. If unpaid at the time the next brokerage fee is paid to the Broker, the Company will deduct the amount due.

12. Complaints Against/from Other Offices
Brokers who have complaints against other offices should consult with the Broker at once. Complaints against offices should never be discussed with buyers, sellers or other Brokers.

Any complaints or disputes with other companies must be brought to the attention of the manager immediately. Our company policy is to remedy problems and disputes without delay. Managers are to follow up all complaints and or disputes to the involved parties in writing immediately after contact. It is our policy to give the complaining party an opportunity to communicate the entire problem, and to "vent." Then we should ask the party for any possible solutions. Next, we accept the solution, modify the solution, offer additional solutions, or work on a compromise, if possible. Always obtain the prior approval of management before making a final agreement. It is always our policy to work in a cooperative effort with other companies.

13. Conduct
In the office, the Golden Rule must be remembered. All Brokers are entitled to respect and must be given the opportunity to concentrate on outlining their day's activities and conducting their business without unnecessary interruptions. Good fellowship and a sincere desire to be cooperative and helpful are encouraged. Loud talking, boisterous laughter and horseplay are entirely another matter and have no place in a successful business office.
The office is not a place in which to loiter and all Brokers are requested to use it strictly as a place of business.

Teamwork makes us great. Loyalty and bonds between agents makes a great team. It is our policy to refer to all SAMPLE REALTY agents and affiliates as “first class.” We all conduct ourselves in a professional manner at all times and carefully guard our company reputation. Every agent’s conduct is a reflection of our entire company, and it is our goal to be held in the highest regard. Always keep your word, to clients as well as other agents. It is better to promise less than more. It is of utmost importance to uphold our integrity. Our company service will always be first class, and this will be without exception.

14. CONFIDENTIAL RELATIONSHIP
It is office policy to keep personal or business problems of clients strictly confidential and they should not be discussed with others. Always keep the confidentiality of your buyers or sellers, and never give out any information, which could put them in a position of compromise or vulnerability. Keep all paperwork from public view, and the view of other agents to protect your clients. Never give out client names or any information about any clients to mailing list users such as moving companies, furniture stores, etc.

15. CONTACT WITH OFFICE
Beepers or paging devices are part of a professional image. However, there may be times when they aren’t in use. During those times, Brokers should keep in close contact with the office and should not be out of contact during business hours for periods longer than two hours. Always work with another agent who can reciprocate with you when you take time off. Partnerships in real estate are discouraged, but a buddy system, to cover for an agent's day off is strongly encouraged. Agents taking time off must have someone covering their clients, or leave working contact numbers, where they can be easily reached.

16. COPY MACHINE
The Company will pay all copies necessary for the completion of a transaction or for the general business use of the Brokers. Any copies made in large quantities for large mailings or handouts, etc. must be made at a copy shop. Our office copier is not designed to large masses. No one is permitted to reproduce copyrighted materials at any time.

17. DESK FACILITIES
Full time active agents will have first priority for assigned desk space whenever
available. Depending upon the availability of desk space, Brokers may be asked to share desk facilities. Newly licensed agents will begin with a temporary workstation where they can train and be mentored. After training and with the recommendation of the sales manager, they will be assigned a desk. Agents are expected to keep their desk area neat and to be considerate of other agents and secretary desks. Please do not remove any property from another agent’s or secretary’s desk.

18. DISCRIMINATION
The Company always adheres to the Supreme Court decision of 1966. In the case of Jones vs. Mayer and all Federal, State and Local laws and regulations whereby all people, regardless of race, creed, color, religion, or national origin, have the right to choose where they wish to live and the homeowner will, in accordance with this decision, agree to sell the house to them, if all pre-set conditions are met.

19. DRESS
It is required that all Brokers dress neatly and appropriately, in accordance with good business practice such as jackets and ties, business suits, business dresses, or business pant suits. Agents and staff members will not wear gym clothes, sweats, shorts, or slogan tee shirts/caps, or revealing clothing to the office.

20. EXPENDITURE OF OFFICE FUNDS
Management will not be liable to the Brokers for any expenses incurred by them, or for any of their acts, nor, except as otherwise stipulated in this Manual, will the Broker be liable to Management for office help or expense.

Brokers have no right to spend the money of the Firm without consent of the Broker. This applies to cards, signs, advertising, etc. If Brokers desire such money to be spent, they must make written arrangements with the Broker.

21. KEYS
Keys are not to be given to purchasers pending the closing of a sale without written permission from the seller. If buyers wish to inspect or measure the property prior to closing the selling, Broker should be present. Keys may be given to appraisers or inspectors only as authorized by the seller. The Company never recommends allowing buyers to move in, even partially, or doing any work on a property prior to closing.
22. KEYS/ USE
When using a key to enter a home when the seller is not expected to be there, be sure to ring the doorbell and wait a reasonable time. Then use the key. And, upon entering the house, CALL OUT to determine again that there is no one at home.

If a home is entered by the use of a key, be sure to leave your business card in a conspicuous place noting the time of day you were there. Brokers using a key should, before leaving any property they have shown, check all doors and windows to determine that they are securely fastened or locked.

23. LEGAL ADVICE
A Broker must not give legal advice, directly or indirectly. This includes advice with regard to the legal rights of the parties, the legal effect of notices, and instruments, and matters affecting the title. When a question is raised by the buyer or seller and the Broker knows the answer, but it might be bordering on legal advice, it must be made clear that only attorneys can give such advice. Agents are not allowed to create lengthy addenda's to an earnest money agreement. It is the policy to limit any written addendum to one page. If the addendum will require more than one page, manager must give prior approval. Agents will not prepare lease option agreements, lease purchase agreements or other forms relating to property management, commercial business or rentals without prior approval from manager. Even if legal advice is correct, it is still illegal to give legal advice unless you are an attorney.

24. LETTER WRITING
All letters or any other written communications or direct mail, involving the Company directly or indirectly, must be approved by Management prior to mailing.

25. LONG DISTANCE CALLS
Long distance calls are considered an agent expense and agents will use a calling card, which is billed, to their home. The Company will accept no collect calls. Any collect calls accepted by a Broker will be charged to the Broker.

26. MESSAGES
All messages for Brokers should be taken in an efficient manner and
placed in the Broker's message box. Agents will be immediately paged and the message form will be marked "paged." All agents taking messages will take them in writing, page them out, and mark them paged. It will be the Broker's responsibility to pick up these messages upon entering the office and to service all calls immediately. Agents should also check their mailbox daily for mail and notices.

27. OBLIGATING THE BROKER

An Broker will have no authority to bind the Broker by any promise or representation unless specifically authorized to do so in writing.

28. OFFICE APPEARANCE

It is important that the office always appear neat and orderly. All Brokers and employees are, therefore, urged to be conscious of this fact: DESKS and surrounding areas should be kept neat at all times.

29. OFFICE EQUIPMENT/SUPPLIES

Office equipment, supplies, reference materials, etc., will not be removed from the office without the Broker's permission. Materials deemed necessary to complete a Real Estate transaction outside the office are excluded. The Secretary's desk is the property of the Company and nothing should be removed from the desk, at any time, without permission. Upon termination of a Broker's association with the office, all equipment, supplies and reference materials must be returned to the office. No software will be copied or illegally installed by any agents. Agents will not tamper with computer systems at anytime.

30. OFFICE HOURS

Office Hours of the Company will be posted. Managers will have a key to enter at any time for business purposes.

31. OFFICE RECORDS

Copies of all letters pertaining to Real Estate, regardless of whether the Broker or others write them, as well as copies of all contracts and agreements, will be placed in the proper office files. All original paperwork belongs in the main office (Mead) and all copies belong in the branch offices. This is the only protection that the Broker has in the event of a lawsuit and full knowledge of the case is important. There will be no excuse for the violation of this guideline.
32. PART-TIME vs. FULL-TIME
Part-time or full-time is not measured in hours. It is the overall result and productivity that will determine the Broker’s tenure. It is not the intent of the Company to hold licenses for part-productive Brokers. We do not hire part time agents. Real estate is not a part time business. New Brokers should spend most of their time obtaining listings and inspecting existing listings during the first 30 to 60 days of their association with the Office.

33. PETTY CASH
There will be no petty cash kept in the office. The Company, at its option, will credit or reimburse a Broker for all legitimate office expenses, provided that a receipt is submitted.

34. POSTAGE COST
The Company, except as otherwise stated in this Manual pays normal business postage. Mass mailings, approved by Management, will be handled and paid for by the agent. On mass mailings, postage costs will be paid by the Broker unless otherwise covered in this Manual. The Secretary will meter all other mail at 5:00 PM, daily. Outgoing mail in company envelopes must never be sealed. Personal mail will not be placed in Company envelopes. The Company will meter personal mail only when the postage cost is given to the Secretary prior to mailing.

35. PROSPECTS/ REASSIGNMENT
The Office will have the right to assign a client or prospect to another Broker, if it appears that the client or prospect is being neglected or improperly handled. We will at all times give every priority to the listing agent. Agents may not reassign to another agent at any time without broker’s written approval.

36. REAL ESTATE ASSOCIATION ACTIVITIES
Membership in the appropriate local Association of Realtors, the National Association of Realtors, and the State Association of Realtors is required of all Brokers. It is strongly encouraged that Brokers should, within their time limits and abilities, support the Association programs and activities and attend educational programs, whenever possible.

37. REFERRAL FEES
Referral fees of any kind may only be given or accepted in accordance with the Real Estate License Law. The recommended referral fee on transactions is a minimum of 20% of the listing or selling fee. The Company must approve all
referral fees, if it is to participate. The maximum brokerage fee that a Broker will receive for referrals to or from other Brokers is 50%. All company-generated referrals given to agents will be split on a 50% basis. Refer to your contract.

38. RESPONSIBILITIES
Association with our Company entails responsibilities. These responsibilities are covered elsewhere in this Manual but Brokers are reminded, if they expect true cooperation from fellow Brokers, they should:
1. Always maintain a positive attitude concerning your work environment, other agents, and real estate in general.
2. Use every effort to control the urge to complain. Complaining never solves problems. They are only solved by action. Complaining is contagious, and we have no place for it in the working environment.
3. Praise and compliments of fellow workers, goes a long way. We all work very hard, and take on a lot of personalities during our days. It costs nothing and means so much to know that you are appreciated as a part of a winning team. Be especially sure to mention the good deeds of others at every sales meeting.
4. Loyalty cannot be overstressed! Our personalities are different but that is what makes us so diversified and successful! Let's always look for the best in everyone!

Keys to teamwork:
a. Obtain your share of listings.
b. Be willing, at all times, to share information which will enable fellow Brokers to consummate a transaction.
c. Dress properly for appointments and use car signs. Image is important for success in Real Estate.
The last staff person to leave the office in the evening will be responsible For:
a. Calling the Answering Service
b. Turning off the lights
c. Turning off the coffee machine
d. Turning off computers and copiers
e. Checking all doors and windows and locking up (See closing and opening procedure)
The first staff person entering in the morning should call Answering Service for messages.

39. SALES MEETINGS
Regular weekly office Sales Meetings will be held. It is required that Agents/Associate Brokers attend and be on time for these meetings.

Awards
Quarterly awards will be given. It is important that we all attend this very important function, and give support and cheers to our award winners!

40. SECRETARIAL ASSISTANCE
The office secretaries process your paperwork, and turn in ads, but do not act as personal agent assistants.

The manager will be available to advise Brokers. So that all Brokers may receive as much help as is necessary, Agents/Associate Brokers should not require assistance for those things that they should do themselves.
The secretary will turn in ads for you, if they are turned in to her. You will need photos of each listing taken, plus ad forms on each property. It is the responsibility of the agent to turn these in to the secretary and to check with the main office administrator's file to see that they are in and current.

41. SHARING INFORMATION
It is the policy of this Company to share information with other offices. This, of course, does not mean giving confidential information, but giving information concerning properties that are available. Only licensed agents may give out listing information.

42. SHOWING PROPERTY
It is our company policy, and mandatory in every case, that the agent will not point out or show or in any way give the impression that the agent knows where the boundaries of any given properties are located. It is the duty of the seller to show the boundaries of their own property. We do not know where the boundaries are, and if this is a concern, suggest that the buyer obtain a survey. This will dramatically reduce our liability. Agents cannot know for sure where any boundary lines are, even if seemingly obvious, and are prohibited from attempting to attempt to "walk" boundaries or show where they are.

We always call and ask for the permission of the listing Broker to show property, followed with a call to the seller for an appointment. Treat the listing broker's sellers as if they were your own. Give them every courtesy. If the listing does not instruct us to call the seller, request listing Broker to make an appointment.
Never offer your opinion of the listed price of a property, even if asked. We do not second guess the listing agent, or make them look incompetent. Do not discuss the listing agent or their company, and in no case do we ever solicitude an active listing in any way.

Always lock the house securely, and always leave your business card. Do not leave brochures or flyers in another agent’s listing.

Return any keys promptly. When borrowing a key from a cooperating office, in order to inspect or show a property, never keep the key over two hours. No matter what inconvenience these causes Brokers, they should strive to comply with this recommendation.

Do not contact owners regarding offers. An offer must be submitted through the listing broker, never directly to the seller.

Never discuss the ethics of another broker with anyone other than your Broker.

43. TOURS (CARAVAN)
Only the exclusively listed properties are toured. Tours are conducted in a group following the weekly Sales Meeting. It is up to the listing Broker to schedule a tour and to:
  a. Set up the appointment.
  b. Provide access to the property.
  c. Conduct the tour and answer questions.
  d. Introduce the other Brokers to the owner.
  e. Report back to the owner on the same day, in general terms, and thank the owner.

Tours may be arranged and conducted for the purpose of obtaining listings with prior approval of Management.

44. TRIAL AND LEGAL EXPENSES
If any transaction in which a Broker is involved results in a dispute litigation or legal expense, the Broker will cooperate fully with the Broker, and Broker and Broker will share all expenses connected therewith, in the same proportion as they would normally share the brokerage fee resulting from such transaction if there was no dispute or litigation.

Our policy is to avoid litigation whenever possible. The Broker reserves the right to determine whether or not any litigation or dispute will be prosecuted, defended,
compromised or settled, the terms and conditions of any compromise or settlement, and whether or not legal expense will be incurred. In the event that legal costs are incurred due to the defense or action of the agent, the amount may be deducted from the actual commission or future commissions due to the agent in the same proportion as the agreed split.

II. OFFICE PERSONNEL
ADDRESS CHANGE
It is important that all employees immediately notify the office of any change in home address or telephone number. This information is needed to update personnel records.

HOLIDAYS
The Company will observe the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. The day after Thanksgiving is a working day and not a holiday. To be paid for holidays you must work your scheduled day before and after the holiday or forfeit that pay of that holiday. No exceptions will be made.

OVERTIME
Management does not intend for the workload to necessitate overtime. No employee is authorized to work overtime without prior written permission. However, should overtime be necessary, overtime will be paid to the employee in accordance with State and Federal Labor Laws. Equal time off may be given in lieu of overtime income.

SALARY PAYMENTS
Payday will be Bi-monthly.

SICK LEAVE
Employees will be allowed 6 sick days per year on an earned basis of 1/2 day per month. If these days are taken within 2 days of vacation or holiday a physician's statement will be required. Sick days may be carried over for a maximum of 3 months.

VACATIONS
Employees are entitled to vacations computed on the following basis: Employees who have been with the Company for one year will be entitled to a one week paid vacation.
TIME CLOCK
The owners must approve any change in employee's normal working shift in advance. Employees are expected to work assigned hours and take assigned breaks and lunch period. Shifts, days, hours and schedules may not be changed or altered in any manner by the employee. Total hours must remain as scheduled. Working through a lunch break for pay is not allowed. Employee is to clock in at and out at the exact time of the beginning and end of their shift. Employees may not clock in or out prior or after working shift hours for any reason. Employees are not to remove time cards from the designated area for time cards. Employees must clock out for any non-work reason.
No checks will be issued without a properly filled in time card.

OVERTIME
Overtime is never allowed without advance written permission. Employees may never take it upon themselves to extend their hours.

ILLNESS
Employees will not come to work ill or complaining of illness. Employees complaining of illness or coming to work ill and / or non-productive to the company will be sent home until fully recovered and able to be productive on the job. Employees with a history of missed days, poor attitude, tardiness, gossiping, complaining, improper dress, or being a party to anything which would adversely affect the company, will be terminated.

III. BROKERS
BROKERAGE FEES
1. Collection
Decisions to take legal action to collect fees due will rest solely with Management. Expenses of collection will be deducted from the total amount recovered and the balance paid to the Broker on a 50/50 schedule regardless of any increased fee arrangement.
It is understood, however, that if a lawsuit is instituted and the case is lost, the Brokers involved must share in all expenses connected with the lawsuit.
2. Forfeitures of Deposit
The deposit will be disbursed according to the written agreement between buyer and seller.
3. Payment
Broker will pay as brokerage fees as soon after funding as possible, but never later than one week after receipt. Disbursement of checks will be made by 5:00 PM the same day, if all papers are taken to our account by 10:00 am.

4. Payments / Deferred
The decision to accept a note or other security in lieu of, or as part of a brokerage fee due, will rest solely with Management. They are strongly discouraged, and must be approved in writing by the company owner. NO EXCEPTIONS WILL BE MADE. Any deferred commissions will be on a 50% split. Interest on deferred payments will be treated as part of the fee.
Deferred brokerage fees, received by the Company on a monthly basis, will be paid to Brokers on a quarterly basis. Quarterly, semiannual and annual payments received by the Company will be disbursed to Brokers as received.

5. Reductions
Agents are not authorized to reduce any real estate commission amounts, even if they wrote the commission amount. All reductions must be approved by management prior to any negotiation.
When a brokerage fee is reduced in order to effect a sale, the maximum a Broker will receive will be a brokerage fee split equal to the percentage they received at the beginning of the year or the Broker has the option of absorbing the entire reduction. Company approval must be obtained in advance. If Company approval is not obtained in advance, the entire reduction will be borne by the Broker reducing the brokerage fee.
When simultaneous in-office contracts are presented to a seller, the brokerage fee will NEVER be reduced.

6. Same Prospect
It is conceivable that two or more Brokers might legitimately secure the same prospect and show the same property.
Should such a situation arise, the Company will recognize, as far as brokerage fees are concerned, the Broker who is successful in obtaining a completed contract acceptable to the purchaser, seller and the Company.
If an Broker knows that a prospect has recently worked with another Broker in the office, then that prospect should be referred back to the first Broker. If the prospect does not wish to work with the first Broker, then the second Broker should immediately work with the prospect.
Always use an exclusive right to locate property form for each buyer to protect yourself, and show written proof of your relationship with the client.

7. Schedule / Company
The minimum brokerage fee accepted by the Company on all residential and
commercial sales is 6%. A 10% brokerage fee is minimum on all land and acreage transactions. In any case, the minimum commission accepted by the company is $1,500.00 total.

Agents are not authorized to arrange leases or rental agreements, or enter into any type of property management for others or for themselves, without prior permission from the broker in writing

8. Schedule/ Other Brokers

Multiple listing residential sales will be divided with cooperating brokers on a 50/50 basis.

9. Schedule / Brokers

Brokers may not accept any fees or compensation, from any source other than the Company, for services or advice in any matter involving Real Estate including CMAs, opinions of value or other sources. Agents are prohibited from preparing, giving, providing or selling CMAs, or opinions of value for any purpose other than in preparation for an actual listing. In no case may an agent charge any amount of money for this listing preparation service.

We REQUIRE this language on each and every CMA:

This broker’s price opinion and/or Comparative Market Analysis is NOT an appraisal as defined in RCW 18.140 and has been prepared by a real estate licensee, licensed under RCW 18.85, who is NOT a state certified or state licensed as a real estate appraiser under RCW 18.140. This Comparative Market Appraisal may not be used for any loan purposes, insurance purposes, probate purposes, or in any legal actions or proceedings involving the principals or the brokers or their agents, in any transaction, whatsoever. This Comparative Market Analysis is for the purpose of estimating a listing or asking price only and is subject to change at any time.

10. When two Brokers list a property together, both of their names will appear on the Authorization to Sell Agreement and they will share the listing fee.

11. When two or more Brokers work together with a prospect and effect a sale, they will share the selling fee.

12. All agreements between Brokers, not outlined in this manual will be submitted in writing to the Broker.

13. All Brokers are required to furnish proof of their transactions being closed (a closing statement signed by both buyer and seller) before fees will be disbursed.

14. If a Broker leaves the office, an additional 10% of the Broker's fee on any transactions pending may be retained for follow-up completed by the Company.

**Deposits, Offers and Acceptances**
1. Acceptance
In the event the seller is out of town and a contract is written the listing Broker may telephone the owner for acceptance. This acceptance may be by FAX and should so state in the contract.

To provide for such acceptance, add this clause to the contract: THIS AGREEMENT MAY RE ACCEPTED BY FAX.
Acceptance is realized when the FAX has been received officially by phone or mail and the buyer has been so informed. The contract should then be sent to the out-of-town sellers for their signatures.
It is the policy of this Office that no property will be taken off the market until the acceptance is received. Therefore, until a seller has accepted an agreement, other offers may be presented.

2. Additional Deposits
When a contract is accepted, the SELLING Broker is to promptly follow up and collect the additional payment of earnest money as provided in the contract. If the purchaser delays even one day in paying the additional earnest money due:
   a. The Broker, the listing Broker and the seller must be promptly notified of the buyer's delay.
   b. The selling Broker should continuously pursue compliance.
   c. The selling Broker should report success or failure each day thereafter.

3. Checks
When a check is given to the Company as an earnest money deposit, it must either be made payable to, or restrictively endorsed to the Company (Escrow Account). Checks must be PROMPTLY submitted to the Office.
If Brokers are responsible for any monetary loss to the Company, due to NEGLIGENCE or MALPRACTICE on their part, then they will be responsible for the full amount of said loss.
Promissory notes may be accepted as an earnest money deposit and must be approved by Management.

4. Earnest Money (Deposit)
The recommended deposit will be no more than 10% of the sales price, but in no case over $10,000.

5. Multiple Contracts
In the event a second contract on a property is received prior to acceptance of an earlier contract, the buyers making the first offer should be made aware that there is a second offer (do not divulge the amount of the second offer) to give them a
chance to raise their initial offer so that the Company can secure the best possible price for the seller.

The buyers making the second offer should be made aware that a first offer exists and that they should make their best offer to the seller.
No offers are to be withheld from the seller awaiting a possible third offer. However, if a third offer already exists, it must be presented at the same time to the seller.
If the listing Broker is also one of the selling Brokers, the Broker, Manager or a third party should present the multiple contracts.

6. Presenting the Contract
Never try to make a decision for an owner. The State Real Estate License Law requires that all offers must be presented. The deposit receipt or contract must immediately be presented to the seller. The listing Broker should be notified of a pending contract before it is presented. It is usually better to submit the contract to the seller with the listing Broker present. In most cases, the listing Broker will know the best approach to that seller and can usually be of great assistance to the selling Broker in making the sale.

7. Returning Deposits
When both parties have signed a contract and it is necessary to return a deposit, it may be done so only by having a RELEASE ON DEPOSIT form signed by all parties involved.
Checks for deposits will immediately be placed in the Company's Escrow Account. Checks must be cleared before a deposit will be returned by the Firm. The clearing time for local checks is ten working days, while out-of-town checks require fifteen working days. Agents may not offer their opinion on whether or not a deposit will be returned or forfeited.

Farming
A Broker working a Farm area may use the phrase "I am specializing...," and will be permitted to use past office records and statistics to show a track record. The Broker must NEVER indicate that "I sold," if the statistics used are from the office records. The phrase "We sold" must then be used.
Open House cards can be mailed by the person holding the Open House, even if the property is located in another Broker's Farm.
The listing Broker will have first right to send Just Listed Sold and New Neighbor cards and the name of the listing Broker will appear on the cards. If the listing Broker does not wish to send these cards, then the
Broker farming the area may send them and the agent’s "name" will appear on the cards.

Although we are interested in protecting the "Farmers," we feel that it is unfair when this protection, in any way, hurts the Company or any other Broker associated with the Company.

No Broker will, in any way, demean another Broker. State YOUR credentials, but do not infer that another Broker is incapable.

**Floor Time and Inquiries**

1. Ads
   The company will PAY FOR ALL OPEN HOUSE AND NEWLY LISTED ADS.

2. Definition
   Floor time is the time given to Brokers for handling phone inquiries and walk-ins pertaining to the listing and selling of properties. Floor time is NOT mandatory. Brokers requesting floor time will be given this opportunity in accordance with the guidelines set forth in this Manual.

3. Hours
   Floor time hours will be posted monthly. No appointments should be made and no closings should be scheduled during floor time hours! However, if a listing or prospect call is received during floor time, these calls should be serviced immediately. It will be the responsibility of the floor person to find a replacement should it be necessary to leave the office.

4. Inquiries
   All inquiries for newspaper advertisements (classified or display), Real Estate Market Magazine ads, walk-ins and call-ins will go to the floor person (except as otherwise stated in this Manual). The floor person should be familiar with all advertising and complete the Daily Ad Call record form used by the Office. The afternoon floor person will submit this form to Management. The lead management process will be used at all times. The listing agent will be paged for an ad call. If the agent chooses not to answer the page in 10 minutes, the call will go to an available agent as a company referral.

   If a prospect walks into the office and asks for a particular Broker, the following will apply:
   Every attempt will be made to locate the Broker at that time. The Receptionist/Secretary will call the Broker requested, first at home, then by calling their beeper number. In the event the Broker cannot be located immediately (within ten minutes), then the prospect will be referred to the floor person. The above "lead management" program applies.
5. Inquiries / Call-In Listings
If a listing call comes in, the floor person will ask, "Is there a particular Agent/Associate Broker you would like to speak with?" If the answer is "No,' the call goes to the floor person without any further questions. If the answer is "yes,' then the call will go to the Broker named. If the answer is "Yes, I would like to speak with the Broker that sent me literature" or "Yes, I would like to speak with the Broker that's working my area," the floor person might ask a second question: "Since we have several Brokers working your area, do you know the particular Broker's name?" If the answer is "No,' the call will go to the floor person. All other listing calls will be handled at Management's discretion.

6. Inquiries/ Sign Calls
The floor person will make every attempt to determine which Broker's sign originated the prospect call by:
   a. Asking if there was a name on the sign.
   b. Asking for a specific address.
If both of these answers are negative (the prospect indicates only that they have "seen signs in the area"), it will be deemed impossible to determine the origination of the sign call and the call will go to the floor person. The only exception is when it can be easily determined that a particular Broker specializes in the area mentioned.
If the origination of the sign call can be determined, it will be handled as follows:

A sign call from a prospect will go to the listing Broker. If the listing Broker is not in the office, it will be the responsibility of the floor person or Receptionist/Secretary to call the listing Broker at home, or call the Broker's beeper service to contact the Broker. If the listing Broker cannot be contacted within ten minutes, then the call will go to the floor person who will immediately contact the prospect.

If the caller will not leave a name or telephone number, the call will also go to the floor person.
Our primary objective is to service the public, so in these instances the floor person handles the call. If a face-to-face appointment is made with a prospect at a time, which occurs prior to the listing Broker making contact with the office, then the floor person will go on the appointment and the prospect belongs to the floor person.

If, however, the listing Broker makes contact with the Office prior to the scheduled appointment time, then it will be the floor person's obligation to inform the listing Broker of the appointment time and all prospect information. The listing Broker will
have the option of going on the appointment or giving the prospect to the floor person.

Should the prospect be given to the floor person, the listing Broker will receive no portion of any brokerage fee.

Should the listing Broker decide to go on the appointment, then the floor person will receive a 10% referral fee from the listing Broker, should a transaction be consummated with this prospect.

The following will apply when there are two or more signs on a specific street:

a. If the prospect knows the address of more than one sign, and two or more Brokers are involved, and then the call will go to the floor person.

EXPLANATION: Management is of the opinion that if a prospect is calling because of several signs erected in one area, then it is not the floor person's responsibility while the prospect is waiting on the telephone, to determine which Broker should get the call if both are in the office or if neither is in the office.

7. Floor Time Schedule
The floor time schedule is a monthly list of Brokers who request floor time. Floor time schedules run seven days a week, 52 weeks a year. The monthly floor time schedule will be prepared monthly. It is determined by those Brokers desiring floor time. Any desired changes in floor time may be made at any time, by mutual agreement of the Brokers.

In order to properly handle floor calls, the floor person should be familiar with all office listings. It is suggested that Brokers requesting floor time strive to attend weekly Sales Meetings and office caravans.

8. Telephone
It will be the responsibility of the CSR to answer all incoming calls and take messages for other Brokers. Brokers should assist, when necessary. A message book or "While You Were Away" pads should be used to record all calls.

Listings
1. Acceptance
All listings must be accepted and approved by Management.
2. Cancellations
No listing can be withdrawn or cancelled without the consent of Management. If a seller who has listed his property for sale desires to cancel the listing, Management can, if it so desires, agree to do so. If the entire brokerage fee is paid by the listing party for such cancellation, then listing Brokers will receive a brokerage fee on the same percentage as if they sold their own listing. No withdrawals may be made without the seller signing the Authorization to Sell Cancellation Agreement and receipt of a check for reimbursed expenses from the seller or the Broker.

3. Changes
Changes in price, terms or other vital information regarding a listing will be reported to the Secretary on the proper form by the listing Broker. She will make the proper changes in the file and notify the other Brokers by placing the change on the Activity Association Report. Changes will be reviewed at the weekly Sales Meeting.

Cost for changes due to a Broker's neglect in completing the original Property Information Sheet will be included by the Broker.

4. Ethics
Code of Ethics, NAR, Article 4: Realtors should ascertain all pertinent facts concerning every property for which agency is accepted, so that they may fulfill their obligation to avoid error, exaggeration, misrepresentation, or concealment of pertinent facts.

5. Exclusive Right to Sell
It is the policy of the Company to work only on exclusive right-to-sell listings (multiple listings) at a minimum brokerage fee of 6%, except as otherwise stipulated in this Manual.

It is contrary to the Real Estate License Law of the State to accept NET LISTINGS. The Company will accept open listings on commercial properties, provided that they are in writing.

6. Listing File
Under no conditions are listing files to be removed from the Office. Should information be removed and not returned, the Office records would be severely crippled. It is therefore requested that any desired information is duplicated and the listing files remain in the Office.

7. Lock Boxes
The cost for Lock Box keys will be incurred by the Broker.

8. Reassignment

The Broker reserves the right to reassign a listing to another Broker, if
it is deemed necessary, due to originating Broker's improper handling of the listing. Brokers are not authorized to reassign a listing to another agent.

9. Reassignment Upon Termination
All listings are taken in the name of the Company and remain the property of the Company. Any unsold listings will be assigned to other Brokers, at the discretion of Management, upon termination of a Broker.

10. Referrals /Management
Management often receives referrals for listings. These listings may, at Management's discretion, be given to Brokers, in whole or in part, whom Management feels can do the best job and who best exemplify the Company image. A Broker accepting a referral from Management agrees to accept a brokerage fee based on a 50/50 brokerage fee split.

11. Responsibilities of Listing Broker
a. To complete the Authorization to Sell Agreement and Property Information Sheet and submit both to the Office.
b. To submit all listings promptly / no pocket or purse listings.
c. To see that listings are properly set up for tour (caravan), open house, proper promotion, and advertising.
d. To install a lockbox, if approved by the owner.
e. To use every possible means to obtain accurate information regarding the listing.
f. To keep in contact with the owner.
g. To present all contracts promptly. Common knowledge will determine what constitutes an UNREASONABLE DELAY in presenting a contract.

12. Sharing Fees
When two Brokers secure a listing, they will enter both their names on the Authorization to Sell Agreement and the Property Information Sheet and will share the listing fee. Any agreement to share a fee, in a manner other than 50/50, should be in writing and signed by both Brokers.

13. Submitting Listings to Multiple Listing Service
As Realtors, we are members of several Multiple Listing Services and it is our policy to submit every listing to the proper service, based on property location. This fee is paid by the Company.

Should Brokers desire to place the property on additional Multiple Listing Services, then they will incur the costs of the additional placements.
Advertising
PROMOTION
1. Company Philosophy
Our Company is working toward a balanced advertising program. For this to be accomplished, the Company must not be bound by sellers who expect, or demand, special advertising on their individual properties. It is with this thought in mind that we should define our general policy.
The Company reserves the right to select and use advertisements which will fit into a well-balanced program and secure the greatest number of prospects for seller's properties. It is a policy of the Company to advertise only those properties on which the Company has an Exclusive Right To Sell listing.
2. Cost
The company will pay for newly listed and open house ads in the Sunday Paper. All other ads are on a rotation basis. Agents may pay for additional advertising and self promotion is encouraged.
3. Placement
The Secretary will place all ads. All due dates for ads will be posted. No Broker will advertise another Broker's listing or hold another Broker's listing open without the listing Agent/Associate Broker's permission.
DIRECT MAIL
The following disclaimer must appear on all Introductory Letters, Mailers or hand delivered Flyers:
"If your property is currently being marketed by another Broker, please disregard this notice. In no manner should this communication be construed as a direct /indirect solicitation "
1. Announcement Cards
Upon association with the Company, each Broker will be given 100 announcement cards. The Company will pay cards and postage.
2. Newsletters
Stationery, printing and postage costs for these items will be paid by the Broker.
3. Just Listed Cards
Each Broker will be allowed to mail 50 cards for each listing obtained. The postage will be paid by the Broker.

4. Just solds
At time of closing, each Broker will be allowed to mail 50 cards. Same as above.

5. Open House Cards
Each Broker will be allowed to mail 50 cards for each open house. Same as above.

6. Promotional Flyers
All costs for promotional flyers, including recipes, school calendars, football schedules, etc., will be paid by the Broker.

10. Variations
All other direct mail promotions should be approved by Management. They are encouraged, but should not conflict with existing Company Direct Mail promotions.

MARKET MAGAZINES

Ads
It is the policy of the Company to advertise in market magazines. The Company pays selected advertising expense and Management will select all advertised properties.

2. Award Page
The Company, at its option, may reward the top three producers, from time-to-time, by taking a full page, just for them, in a market magazine.

Open Houses
1. Company Philosophy
Brokers may hold open houses when desired, however, they must have permission from the owners. The suggested MINIMUM time for an open house is three hours. The Broker who has agreed with an owner to hold a house open must keep the appointment. The owner should not be disappointed. Open house ads, if desired, are paid for by the Broker placing the ad. At least 6 signs should be used for directions.

2. Handling Ad Calls
All open house ad calls received during floor time hours by the floor person, on the day of the open house, will be referred to the Broker holding the house open. If the Broker holding the open house is unavailable, or cannot be reached, then the floor person will handle the prospect.

3. Leaving Open Houses Unattended
No Broker holding an open house should leave the property, for any reason, during the hours it is advertised as open. The only exception is when the property is sold and both parties sign the contract. The Broker should place a sold sign on the property and then may leave the open house.

4. Promotion
When a date and time for an open house has been determined, the Brokers should inform the Firm and, at their option, submit an open house ad for insertion in the newspaper in accordance with the newspaper deadlines and Company guidelines. Open house ads should be submitted on the proper ad form for placement. Open house invitations should be mailed no later than four days prior to the open house.

5. Signs
The Broker should pre-determine the number of open house signs needed and upon reaching the property, post signs properly and lawfully.

SIGNS
1. Company Philosophy
The most effective and inexpensive way to advertise and secure prospect inquiries is the use of signs. The Firm supplies standard FOR SALE signs and SOLD signs.

2. Conditions
If any of the following are being done improperly, please inform Management:
   a. Signs must be kept clean and straight.
   b. Signs are not considered expendable and should be reused, if in good condition.
   c. Signs must be promptly removed after the sale has been closed or the listing has expired. It is the Secretary's responsibility to notify the sign company when a sign is to be removed.
   d. No sign, of any kind, may be placed on any property without the owner's permission.

3. Installation
The cost of employing a sign company to install and remove the For Sale signs will be paid by the Broker. The listing Broker should attach the sold sign rider after the property is sold.

4. Local Ordinances
It is the Broker's responsibility to be aware of all local sign ordinances controlling the placement of signs. The Secretary should be informed of the type of sign required before placement of the installation order.

5. Name
Brokers are encouraged to attach their name riders to the For Sale signs on their listings. The honor and reward for a job well done or the blame for neglect will then be directed to the deserving Broker by the seller and the neighbors. Brokers pay for their own name signs.

6. Special
Special signs (By Appointment Only, Pool, For Rent, Lakefront, Owner Financing, FHA Financing, etc.) may be used by the Broker. These signs will be paid for by the Broker.
The Company supplies open house signs. The agent pays for the "sandwich boards" or frames to hold them.

Management
1. ARBITRATION
The Company believes that Brokers within the Office, who are involved in brokerage fee controversies can and will settle their differences between themselves in an amicable and equitable manner. Failing this, the gents/Associate Brokers should ask Management to recommend a settlement. If that is not acceptable to both, a written request for arbitration should be made. A three Agent/Associate Broker panel will be selected (one by each arbitrating Broker and one by Management). The request for arbitration should contain an agreement to accept the decision as final.

2. GOALS
When a Broker first becomes associated with the Company, it will be Management's obligation to meet with the Broker and together establish or review yearly goals.

3. MANAGEMENT MEETINGS
Management Meetings will be posted yearly. Those who must attend: Officers and Sales Managers.
The following completed Management records should be brought to the meetings: Manager's Monthly Associate Activity Report, Manager's Monthly Office Activity Report, and Manager's Monthly Ad Call Activity Report.

4. POLICY AND GUIDELINE MEETINGS
From time-to-time, Management may call special meetings for the sole purpose of changing Company policies and guidelines. Those who should attend: Officers, Sales Managers, Office Managers, and Office Representatives.

5.OFFICE REPRESENTATIVES
There will be one Broker elected to represent each Office at Policy and Guideline Meetings. Representatives will be elected at the first Sales Meeting of the year. The term will be for one year ending December 31. If the Office Representative leaves the Office, a new representative will be elected at the next scheduled Sales Meeting. It will be the responsibility of the Office Representative to present recommendations from Brokers at Policy and Guideline Meetings.

6. OPEN DOOR POLICY
No appointment is necessary for you to speak with Management. Do not direct any questions concerning Company policies and guidelines to anyone other than Management.

Management goes to great lengths to ensure proper instruction of Office policies and guidelines. Do not listen or adhere to differing Office opinions.

7. THE FINAL WORD
If any situations arise that are not specifically covered in this Manual, the Broker should abide by Management’s decision.

In addition, Management reserves the right to amend, alter or change certain policies and guidelines in this Manual for the betterment of any or all Offices of the Firm. This flexibility will insure Company success.

The policy manual will be updated regularly and used consistently. The policy manual is a "guideline" and cannot always cover every situation.

Review

The top agent does not necessarily make the best real estate manager. In fact, they are almost always two very different personality types. Even though the manager need not be a top producer, he or she must be experienced and competent as real estate agent and have the respect of the agents.

If the manager is not experienced, educated and competent, he or she would not be fit to direct, advise, train, guide, and support the agents.

The most effective form of gaining cooperation that the leader can utilize is working with the agents and providing a good example.

Establishing policies and procedures that outline the expectations of the company can help agents and staff members to work with less supervision and more harmony.

This also gives the manager more time for mentoring and giving individual attention to help his or her agents succeed.
If your agents do not believe that you have the background or experience to lead them, they will not be interested in what you have to say. Without experience in the real estate business, a manager could still collect facts and provide information. But, without knowledge of the business and wisdom from practical experience, information alone can be nearly worthless. The successful manager is able to lead others by “recruiting” them to their path of thinking. To be effective, the manager should have highly developed communication skills and know how to effectively use body language, voice inflexion, and eye contact to show not only an active interest in the agents, but self-confidence as well.

Of course, leadership also involves enthusiasm for the real estate profession. As manager, you can bring “life” to real estate for your agents by having them “mentally” live your experiences as you share them at sales meetings and goal setting sessions. Leaders have a natural instinct to help people by giving their best advice, searching for answers, inspiring, and truly caring about their agents. They want to help others succeed.

The "amiable" manager was quite often a successful agent who wants win approval as manager by trying to please everyone. He or she is usually very trusting and tends to look the other way instead of reprimanding, criticizing or disciplining.

Although the manager is friendly, he or she may not be respected as a leader. Rules tend to be overlooked, paperwork can be careless, and the company may lack structure.

"The Boss" manager lets you know that he or she "owns the place," he or she "is the boss," and you will "do what I say." Instead of good communication, there is usually a "power trip."

"The Boss" is an ineffective leader, often insecure, and has a lack of confidence but tries to make up for it by being bossy, overbearing and self-important. This manager cannot get the cooperation and respect of the staff, and because he or she uses no tact in handling people, resentment builds and grows. This situation causes poor morale, low retention, and difficulty in recruiting.

"Our Leader" manager is confident, motivating, enthusiastic, team spirited, and caring. This is a "people-person" with great communication skills.
"Our leader" type is tolerant, but not careless about rules, paperwork, structure, or policies. This manager is respectful and appreciative of everyone's contribution to the company. Rather than "driving" people, he or she "guides" people to make the right choices.

"Our leader" creates an environment of high morale and maximum productivity and doesn't boast or brag that "I'm the boss." This leader will instead say, "we are a team."

Building and keeping a good reputation is not easy. It requires effort, dedication and commitment.

According to Gallop Poll in 1993, real estate agents finished 21st out of 25 in the ranking for honesty and ethics, but were ranked ahead of car dealers, congressmen and stockbrokers.

Once a good reputation is built, the loss of that reputation will impact the company's performance and productivity.

Everyone from owners to supervisors to managers, agents and staff hold responsibility for their companies' reputation.

The manager can inspire ethical behavior by referring to a written code of ethics, personally abiding by those ethics, and making it clear that any unethical behavior will never be tolerated.

Sales meetings should be highly productive, informative and well worth attending. It is also an opportunity to take advantage of the exchange of information on new listings, price changes, and buyer's needs. It is likely that an agent with a qualified buyer will find lots of help from active listing agents at the sales meeting.

An agenda should outline the topics to be covered. These should be passed out at the beginning of the meeting, and if an agent misses the meeting, a copy can be placed in his or her mail slot. The agendas should be dated and kept on file in computer, file or binder for future reference, training or updating policies.

The more group interaction you have, the more stimulating the meeting will be. Encourage your agents to take part in "brainstorming session" or group discussions.

Ask them to role-play, give a demonstration, or share a "real life" example. Who says your sales meeting has to be at the office? Try holding your meeting at different locations once a month. When the weather is nice, it could be held outside in a park, or inside at a donut or coffee shop.
The best time to begin writing your next week's agenda is right after your meeting. Anything that comes up in this week's time should be noted and considered for your next meeting. Note any changes in the market, interest rates, technology and of course, ask your agents for input and suggestions.

Creating a mission statement that fits your company's ideals is important. If it fits, it will be used as an everyday guide in conducting your business. Your company will work better as a team when everyone feels they had a part in the making of the statement.

The mission statements should be short enough to commit to memory. The mission statement should be a balance of practical and emotional ideals. To be taken seriously, the mission statement should be kept direct and simple, truthful, powerful, and realistic.

You must believe in your mission statement, or no one else will. "If you don't use it - you lose it!" Make sure everyone in your company has a copy and uses the mission statement in their presentations, sales meetings, and recruiting materials.

Most people feel more secure in a work environment where the expectations of their performance and behavior are clear.

The purpose of a policy and procedure manual is to avoid misunderstandings, prevent problems, and establish methods of solving problems and/or disputes, before they happen.

Your company policy and procedure manual also can be a powerful recruiting and retention tool when used in interviewing, hiring and retaining agents. This is a book that is meant to be changed. As circumstances, laws and your company change, so will your policies.

The manual should have remedies for resolving disputes and handling exceptions to the policies, but if too many exceptions occur, the standard should probably be revised.