

Management Tips

To maximize your profits, learn to adopt different management styles

Broker Jack O'Connor once inspired his agents by donning a hula skirt and holding a sign alongside a busy street in Denver.

The stunt was effective, but O'Connor acknowledges that there's more to management than wacky gambits like that one.

In fact, there are seven distinct styles of leadership, and to keep your company firing on all cylinders, you'll need to master most of them, says O'Connor, broker-owner of RE/MAX Professionals in Engelwood, CO.

Most managers haven't been broadening their leadership skills. Instead, the difficult market of the past few years has led many brokers to narrow their management repertoires. When you're focused on cutting costs and simply surviving a brutal market, you're not likely to focus on fine-tuning your leadership style.

"You've been in a defensive mode," O'Connor says. "And we tend to revert to the one leadership style we're really good at when we're in a defensive mode."

That can be a costly mistake. Even the best managers are comfortable with only three or four of the seven management styles. But by limiting your approach, you're also limiting your ability to retain and recruit agents.

"If you don't learn different styles, you'll appeal only to agents who are attracted to that style," O'Connor says. "When you expand beyond your comfort level, your

profit levels increase."

O'Connor outlines the seven leadership styles that brokers should master:

Style 1: Charismatic. "These are the leaders people want to be around," O'Connor says.

Many top producers have this trait. They lead with charm and grace, and they naturally "work the room," whether the room is a sales meeting, a Chamber of Commerce event, or a trip to the grocery store.

These leaders set high standards, and they focus on both agents' pain (not selling enough homes) and pleasure (getting paid).

O'Connor says the hula skirt stunt was an example of charismatic leadership. After donning his costume, O'Connor stood on a Denver street corner holding a sign that read, "My Agents Sold Over \$39 Million in Real Estate in June."

Know that such gimmicks will have agents posting pictures and videos of you.

"All of a sudden, I'm on Facebook with my hula skirt," O'Connor says.

The hula skirt wasn't a one-time gimmick. Last Christmas, O'Connor dressed as Santa Claus. He acknowledges that such stunts are "nutty," but he says they're a key weapon in the charismatic leader's arsenal.

Try this at your next sales meeting: Sport a cape and turban and do a swami act where you predict the future of the market.

Style 2: Participative. This leader involves others and builds consensus. In a challenging market, brokers typically turn away from consensus building because it's difficult to get agents to agree to cost cuts.

This is the opposite of the autocratic leadership style. The autocrat wants to make decisions and keep control — not often a recipe for success in the real estate industry, where agents often are driven by their egos.

Building consensus lets you retain more agents even as you slash expenses. The trick is to accomplish what you need while keeping agents involved.

“Agents like to know what’s happening before it happens,” O’Connor says.

Just be careful that the consensus doesn’t turn into a money pit. It’ll be easy for agents

to agree to spend your money on new copiers and other equipment.

To become a participative leader, try this: Set up a broker advisory committee that gives agents a way to make decisions.

Style 3: Situational. Situational leaders adjust to the needs of each agent and to the direction of the market. The situational leader is quick to respond to market shifts, such as a rise in foreclosure sales and short sales.

Situational leaders are experts at understanding the idiosyncracies of their people.

One limit to situational leadership, however, is that you must lead a small enough group that you know your people intimately. The U.S. military has determined that one leader really can’t know more than 48 people

Having fun, being generous and other keys to a successful brokerage

Broker Jack O’Connor offers the following tips for inspiring your people in a tough market:

Avoid the pity party. When agents meet with consumers, they often find clients commiserating about the difficult real estate market. Agents don’t know how to respond to the “pity party,” O’Connor says.

Give agents the words to respond to consumer concerns. For instance: “Did you know 100 homes sold in Denver today?”

Create Monday morning mojo. Every other Monday at 9 a.m., O’Connor meets with agents in a “Monday morning mojo meeting” and talks about how they are approaching the business. The goal is to get agents focused and fired up for the week ahead.

Take advantage of Facebook. Agents want more sales, and you need to show them how to get more by increasing their spheres of influence. Say the typical agent works 210 days a year. If the agent adds one person a day on Facebook, that’ll expand her sphere of influence by 210 people.

Trust the people you work with. O’Connor coaches a broker who recently told him, “I hate my agents.” Her frustration with her agents was bound to become obvious to agents, so O’Connor told the broker to go

talk one-on-one with her agents and offer up her services to help each of them become more productive.

Write handwritten notes. Make sure that you occasionally send a handwritten note to each agent thanking them for working for you. This personal touch will increase your agents’ loyalty to you.

Give agents \$25. O’Connor has an open door for agents who are raising money for their favorite charities, whether it’s a fundraising run for MS or another worthy cause. Any time an agent asks, O’Connor writes a personal check for \$25 — something he figures he does about 40 times a year. “I can’t tell you the mileage I get from spending \$1,000 a year,” he says.

Have fun. This will attract and keep agents in a difficult market.

Coach agents on scripts. Your agents should know how to answer common questions such as, “How’s the market?” or “How is the foreclosure down the street going to affect the value of my home?”

O’Connor tells agents to ask how long it will be until the homeowner plans to sell. That way, the agent can hazard a more reasonable answer — and put in their database when a homeowner plans to sell.



well, O'Connor says, and that ratio makes sense for real estate brokers, too.

If you have 200 or 300 agents, you need to break them into groups and delegate some leadership to other people so that you can continue to spend time with agents.

Style 4: Transactional. "This is a reward-and-punishment style," O'Connor says.

These types of leaders focus on systems and checklists, such as buyer and seller questionnaires. Knowledge of systems and attention to detail are keys to this leadership style.

When they're doing business planning with agents, they'll ask very specific questions, such as, how many people are in your sphere of influence?

Style 5: Transformational. These leaders inspire agents to higher levels of performance, and they coach agents to help them get there. This manager is visible and a visionary.

"Transformational leaders make people stand up and cheer," O'Connor says.

However, transformational leaders don't just focus on the big picture. They also focus on the details that drive agents' perceptions of the company, whether it's technology systems or making sure the copier works.

This sort of leader also works with agents on dialogues and scripts.

Style 6: Quiet. This leader sets aside ego and aggressiveness and places personal humility ahead of personal will. The quiet leader isn't timid, but he puts the needs of others ahead of his own.

For instance, a quiet leader might go on listing appointments with agents and give a quick testimonial for the agent, then sit quietly and listen through the rest of the appointment.

The quiet leader shifts the focus onto the agents. It's "all about them," O'Connor says.

Style 7: Servant. The servant leader excels at one-on-one management and serving the needs of agents. Servant leaders create "enabling environments that empower and encourage," O'Connor says, and they do so in part by expressing their thanks to their people.

The holidays are a perfect time for servant leaders to show gratitude to agents and make them feel appreciated.

"They want to be loved," O'Connor says. "Be grateful for them being there."

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