AE Brainstorming at the Breakers

August 5-7, 2014

West Palm Beach, Fla.

Overview

This summer was the inaugural "AE Brainstorming at the Breakers." It was attended by 70 AEs, NAA staff and members of NAA's Executive Committee. Several topics were presented for brainstorming over the course of one and a half days. Below are the outcomes of these discussions.

SESSION: Membership – Recruitment and Retention Best Practices

The attendees were divided into groups consisting of AEs of varying size affiliates, NAA Executive Committee members and NAA staff. The groups were tasked with reviewing recruitment and retention plans for small, medium and large affiliates based on provided scenarios. The best practices suggested by the groups are outlined below.

Create your Priority List – What are your priorities in your target market (i.e. REITs, corporate ownership, institutional investors, third party management companies, owner/operators, independent owners, suppliers, etc.)?

Small	Medium	Large
• Independent Rental Owner recruitment • Leads • Next Generation • Developer members • Largest owner/management company • Military • Senior/affordable	• Focus on smaller owners • Niche markets without leaving core members • Next Generation • All size owners and management	• Keeping up with changes in management • Recruit new investors and new owners • Next Generation

Products and Services – What are the products and services you need to offer to appeal to each one of the audiences in your Priority List?

Small	Medium	Large
• Education • Lease • Loyalty Programs • Networking one on one • New programs for IROs	• Lease • Education – expanded and diverse • Resident screening • Leadership opportunities • Leadership	• Lease • Networking events • Education • NAA Products and Services • Legislative Advocacy • Resident screening

• Resident screening • Legislative • Diversity locations for events and networking • Member certificates for recognition • *Units* and other publications • Legislative services • Job boards (use a third party)	involvement (on-site and upward) • Vary location of events • Member certificates • *Units* and other publications	• National designations • *Units* and other publications

Sales Strategy – What systems will you put in place to increase recruitment and retention (i.e. staffing, sales and retention programs, review of products and services, strategy to grow programs to increase value)?		
Small	**Medium**	**Large**
• Promote screening • NAA/ALN data/mail • Peer to peer • Build education committee for recruitment and revenue enhancement • Build membership committee to determine market penetration • Use social media • Use vendors for referrals • Use the broker community • Referral fees	• Membership development committee – chair and staff • Communications • Increase use of products and services • Representation on board by key company members • Peer-to-peer sales • Use reserves to hire membership staff (commission structure?) • Use the broker community • Referral fees	• Outside sales • NAA cobranding • Develop new programs • Motivate volunteers • Hire membership staff (commission structure?) • Use the broker community • Referral fees
ALL SIZES • Hot list – AE & Volunteers have to zero in and focus on just the list • Customer service – hand written notes, return calls quickly • "Red Carpet" customer service – new owner receives call from president • Outline savings vs. dues • Associates Council involved in calling prospects • Exit interview as members leave – find out why, and their participation level • Create Ambassadors program of approximately 12. Once a quarter they do sales calls with membership packets. • Post renewals and new members on Facebook • Work with vendors – they know the industry players ell • Hold morning coffee meetings – for members and invite targeted member, have a vendor sponsor		

Leadership Embracing the Challenge – How will you sell this concept to the volunteer leadership of your affiliate?		
Small	**Medium**	**Large**
• NAA contest/challenge • Recruit 2 or 3 respected leaders • Understand the purpose of more legislative involvement and education for members • Involve Next Generation of leaders	• Chair of membership • Be sure board size is appropriate (not too large)	• NAA challenge • RVPs • Strategic planning retreat • Send letter to their boss indicating they are making a difference in the industry • Incent through team competitions
ALL SIZES • Increased retention equals stronger association, more revenue, better employee base and growing involvement from volunteers • Quantify benefits • Ongoing recognition • Board and member descriptions • Provide monthly scorecard • Recruit and interview potential board members		

Implementation – How will the implementation of the program be monitored? What are the measures of success?		
Small	**Medium**	**Large**
• Growth task force, meeting every 2 weeks • Publicize success • Assign board members to the committees • Annual surveys	• Growth task force, meeting every 2 weeks • Publicize success • Annual surveys	• Growth task force, meeting every 2 weeks • Publicize success • Annual surveys
ALL SIZES • Monitored by board • Benchmark quarterly		

SESSION: Non-Dues Revenue "Speed Dating"

Seven topics were discussed in a "speed dating" style. The topics were led by AEs who have had successful programs. Highlights from these discussions:

1. **PAC Fundraising Ideas – *Roundtable Facilitator:* John Mitchell,** Executive Director, Apartment Association of Tarrant County, jmitchell@aatcnet.org, (817) 284-1121

   Best Practices
   - Reverse trade show – netted $15,000
   - Golf tournaments
   - Ask for PAC donations on dues invoice – Individual ask (voluntary contribution)
   - Blanket dues increase - % of dues increase given to government affairs and board of directors decides on PAC distribution.
   - Raffle at affiliate events
   - Puzzle and silent auction
   - Ride on boat ride – Solicit PAC contributions

   Challenges to Raising PAC Dollars
   - More legally active; PAC becomes a second thought.
   - Need more awareness/education on the importance of the PAC (what it is and how it supports the industry).
   - Federal PAC is a lower priority
   - Growing number of non-golfers
   - Too much pressure on vendor members
   - Don't understand fundraising rules
   - Not enough association staff resources
   - Members desiring to give directly to candidates
   - Member policies against giving money to PACs

   Action for NAA
   - Need more materials explaining what the PAC is.

   To consider
   - AEs would appreciate additional education on PAC rules and regulations.

Types of PAC Fundraisers and Annual Net Income indicated by roundtable participants.

1. Reverse Trade Show (8) - $7,000 - $85,000
2. Golf Tournaments (8) - $1,000 - $80,000
3. Membership Dues Add-on (8) - $2,000 - $150,000
4. Raffles (5) - $2,000 - $8,000
5. Fun Event (2) - $1,000 - $3,000
6. Silent Auction (7) - $500 - $8,000
7. Baseball Game (2) - $1,000 - $4,000

8. Clay Shoot (1) - $11,000
9. Tennis Tournament (1) - $40,000
10. Exclusive Presidents Club (1) - $40,000
11. Electronic Event Solicitations (1) - $2000
12. Bowling Tournament (2) - $700 - $3,000
13. Low Country Boil (1) - $1,000
14. Softball Game (1) - $2,000
15. Progressive Dinner (1) - $25,000
16. Wine / Beer Tasting (5) - $4,000 - $35,000
17. Wine Pull (1) - $12,000
18. Individual Ask (5) - $300 - $40,000
19. Member Ask (based on units) (1) - $45,000
20. Legislative Reception (1) - $1,000
21. Pizza Party (1) - $12,000
22. Apartment Tour (1) - $1,000
23. Casino Party (1) - $1,000
24. Texas Hold'em Poker Tournament (1) - $1,000

2. Legal Forms/Legal Book– *Roundtable Facilitator:* Glenda Holmes, Senior Vice President, Texas Apartment Association, Glenda@taa.org, (512) 479-6252

Best Practices

- TAA version (Redbook) is sold wholesale to Texas affiliates who then sell it to the end user.
- Redbook and lease make up roughly 50% of TAA's $5 million budget.
- Some things in the Redbook are universal, generic (federal laws) and be integrated in all Legal Books.
- 10 states (affiliates) currently have Legal Books.

Challenges

- Prompt delivery of Legal Book and updates to laws that are constantly changing.

Questions

- Is there a way to share market penetration by state?
- AEs would like a module to help with a selling strategy for the lease program.
- Could NAA help affiliates put together a product similar to Red Book? What is the benefit of providing such a resource?

3. **Major Sponsorship Program – *Roundtable Facilitator:* Michael Fazio**, Executive Director, Nevada State Apartment Association, mfazio@nvsaa.org, (702) 436-7662

Best Practices

- Two tiered program
    - $5,000 platinum – exclusivity per industry (ads, events, promotion in emails).
    - Membership dues included.
    - $500 can sponsor specific events.

To consider

Would like more information on how to run a successful business exchange or reverse trade show event.

4. **Insurance Program - *Roundtable Facilitator:* Tom Simplot,** President, Arizona Multihousing Association, tsimplot@azama.org, (602) 296-6201

Best Practices

- The Arizona Multi-housing Association (AMA) has four insurance programs.
    - Blue Cross
        - 6% royalty from Blue Cross to AMA.
        - 50% of the 6% goes back to the property in which the individual lives.
        - Member properties market the health insurance to their residents.
    - Workers Compensation
        - Revenue from the program nets $25K - $100K annually.
        - Revenue depends on members participating and there being lack of workers comp claims.
        - AMA puts on classes to educated members on how to minimize claims.
    - Claim Management Services
        - Contract with a company named Skipton & Associates.
        - Skipton is in 29 states.
        - When claims are filed by members, Skipton comes in and sees if they can adjust the claim amount. Percentage of claims adjustment goes to the affiliate.
    - Property and Casualty Insurance
        - $100,000 in revenue at the height of program. AMA makes roughly $20,000 now.

- All affinity partners must pay AMA $5,000 in annual sponsorship.
- Estimated $100,000 will be made in royalties for all the affinity programs.
- Become a broker for health insurance – need to setup a for-profit entity

To consider:

- Possibly a more in-depth session on this topic since it seems to be a good non-dues revenue source.
- Could offering an insurance exchange to IROs be a possible future benefit?

5. **Online Property Listing Service - *Roundtable Facilitator:* Suzanne Comer,** Executive Officer, Lubbock Apartment Association, Suzanne@lubbockapartments.com, (806) 794-2037

   Best Practices

   - Lubbock AA is one of three NAA Affiliates that has their own locator magazine.
   - People searching for an apartment in Lubbock area use their magazine.
   - Two staff members that work on the magazine.
   - Make $675,000 in income annually (magazine and website).
   - $195,000 in expenses.
   - Web based listing service, so for members only

   To consider:
   Has there been an affiliate that has gotten into this business recently? How can they compete with Apartment Guide, which has considerably more resources and economies of scale.

6. **Education Subscriptions - *Roundtable Facilitator:* Chip Tatum,** Executive Vice President, Apartment Association of Greater Orlando, chip@aago.org, (407) 644-0539

   Best Practices

   - $65 a month per company to allow all employees to attend classes.
   - Class sizes have improved to 25 per class.
   - $40K - $50K additional in class revenue from subscriptions.

   To consider
   A more in-depth session on this topic at another event
   The practice of not pricing education courses as a la carte seems troubling.

7. **Career Center- *Roundtable Facilitator:* Josie Eatmon,** Executive Director, Triangle Apartment Association, jeatmon@triangleaptassn.org, (919) 782-1165

   Best Practices

   - Partners with Affiniscape and paid $2500 initially to create a career portal.
   - Initially gathered $500 sponsorship for job back
   - Initially asked members to post job openings for free in order to generate traffic.
   - $25 member cost per post for 30 days; $50 for non-members.
   - Receive $6,000 in revenue the first year.

- By third year the coast per post was $75. By third year the revenue was up to $27,000.
- By sixth year Craigslist began to compete and postings dropped revenue to $25,000.
- In the seventh year postings were $125 per post and generated $53,000.
- Get board members to post jobs
- Request testimonials when someone calls to take down an ad, and post testimonial on the site

To consider

- What is an appropriate investment for such a site?
- Could NAA create a national initiative for apartment careers? Affiliates could share in the cost and profit.
- How would an affiliate stay competitive with other job sites such as Career Builder?

SESSION: Governance & Operations Discussions

Potential Resources for AEs – webinars, tutorials, etc. – Dave Edwards

NAA is researching resources for AEs to be presented in various ways, and to serve as an online resource library for affiliates. Dave presented some common topics and asked for feedback. In addition to the webinars & tutorial videos, there will be conference calls regarding best practices. The group asked that, depending on the topic, some calls be segmented by affiliate size. The group would like notes on the discussions to be sent to all AEs, regardless of size.

Suggested Topics (those that are italicized were added by the group):

1. Strategic Planning
    a. Innovation
    b. Charting the future
2. Sales and Marketing
    a. Member Recruitment and Retention
    b. Developing Value Propositions for Key Stakeholders
    c. *Incentive Programs/Membership Campaigns*
3. Governance and Operational Excellence
    a. Board effectiveness
    b. Board orientation
    c. Financial management
    d. *Volunteer recruitment/Training*
    e. *(Board as audience) Board Roles & Responsibilities*
4. *Non-Dues Revenue*
5. *How to Promote Programs, including Supplier Council*

Developing Affiliate Standards

NAA broached the subject of developing a structure for affiliate standards. AEs in attendance that currently complete minimum standards for the state affiliate indicated that it's helpful, as it allows them to communicate to their leadership how they're doing.

The group agreed this should move forward, and had some thoughts:

- Consider three versions based on affiliate size, as some of the items require larger staff. They should be revised to offer a different structure or procedure for smaller affiliates.
    - Fiscal Responsibility – small and medium may be difficult to do due to staff size. Would like the opportunity to provide a reason why it isn't met, or an alternative solution, such as board members reviewing it monthly (alternate board members)
- The documents should be moved through NAA governance
- Items missing from the document presented: PAC and Government Affairs activities
- Lease royalties – if there is a state association, they receive the royalties. Small & medium affiliates would like verbiage related to that.
- Promoting attendance to NAA events. Several channels are listed. Small & medium affiliates may not utilize each type of communication channel, so "if available" should be added.
- Alternatives to AMS should be provided.
- NAA should provide some direction on how to incorporate some of the items and meet the criteria
- Add in options for payroll, specifically if only 1 employee
- Create a taskforce including AEs from various sized affiliates, to be led by Russ Webb

How's NAA Doing?

The group was asked about items they'd like to see NAA improve or create. Several items were discussed:

1. Marketing package for lease
2. Communication, esp. to non-staffed affiliates
3. How are we communicating with our smaller affiliates
4. Orientation for affiliate / new AEs
    a. Mentor program
5. Send schedule of all meetings well in advance
6. Complexity of communication, especially related to education
7. When changes are made in EI, ask what is needed
8. Education directors conference – info sessions for direct conversations about programs and problems
9. Give meeting timelines, even though the full schedule may not be available
10. No way to know if blast email was sent to members, or only to AEs
11. Community site needs improvements
12. A clear definition of IRO
13. More one-on-one communication

14. Committee summary – make sure AEs are on the mailing list
15. AE update – redesign
16. Can we color code the regional vendors & attendees badges

Operations Survey

To allow affiliates to benchmark, the compensation survey which is executed every three years will be expanded to be an operations survey. The group was presented with topics from a typical operations survey, and was asked to vote on the items they'd like to include in the survey to allow for benchmarking:

1. Non-Dues Revenue Sources & Information Breakdown – 168 (24%)
2. Technology – 121 (17.3%)
3. Membership Growth/Loss Information – 110 (15.7%)
4. Board Information/Leadership Succession/Committee information – 102 (14.6%)
5. Budget Information & Dues – 83 (11.9%)
6. Reserve Levels and Investment Policies – 74 (10.6%)
7. Staffing questions (#, titles, FT vs PT) – 42 (6%)

Topics for Developing Excellence

The group was asked to suggest topics for the fall's Developing Excellence conference. It was agreed that the roundtable discussions are working well. The group voted on the suggested topics:

1. Non-Dues Revenue (in-depth look; including representative from a hotel / how to negotiate) – 123 (20.8%)
2. Volunteer Recognition & Engagement – 93 (15.7%)
3. Budget Planning, Analysis & Benchmarking – 88 (14.9%)
4. Strategic Planning – 61 (10.3%)
5. Staff Benefits – How to stay competitive – 58 (9.8%)
6. NAA 360 program – 46 (7.8%)
7. Hiring & Motivating Membership Sales Staff – 45 (7.6%)
8. Volunteer Engagement – 42 (7.1%) (note: 8 & 9 were voted on as separate items, vs. together as seen in #2.)
9. Volunteer Recruitment – 35 (5.9%)