

RELATIONSHIP ADVICE

BUSINESS PARTNERS ARE CRITICAL TO WELL-MAINTAINED AND PROPERLY MANAGED COMMUNITY ASSOCIATIONS. FOLLOW THESE STRATEGIES TO DEVELOP—AND PRESERVE—SUCCESSFUL RELATIONSHIPS WITH YOUR SERVICE PROVIDERS.

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RELATIONSHIPS BETWEEN COMMUNITY ASSOCIATIONS and their service providers go beyond contracting for work to be fulfilled. The reality is that business partners—whether they provide landscaping, accounting, maintenance, repair, reserves analysis, insurance and risk management, or myriad other services—are critical to successfully managing a community. It is nearly impossible to run a secure and well-maintained association without them.

Thinking of business partners as an extension of your community: Their work will be representative of your reputation. If you don't have trustworthy service providers working with you, or worse, you don't have any professionals providing assistance, it will be your community's board of directors that takes the hit and quickly become a nightmare for everyone involved.

Having reliable service providers ensures that property values are sustained, crucial work is completed, and the manager or management company and association's board meet their responsibilities to the residents. Reaching out to a service provider may be the first step, but it takes effort to build and maintain a strong bond that benefits the community. Follow these strategies for successful relationships with your business partners from the start.

CHOOSING IDEAL PROVIDERS

Picking the service providers you intend to work with should be a careful process. Here are some things to consider.

Do your research. Vetting service providers is one of the most important things when looking for the right individual or company to lend their skills and expertise to a community. Conduct research by looking at their history, reviews, and speaking directly with previous clients to learn about their experience. If your choice of service providers hold up to the initial investigation, take a look at the community's budget and proceed to reach out and begin a conversation toward a suitable agreement.

Avoid bargain hunting. As the saying goes: Buy cheap, buy twice. Hiring the best service providers doesn't mean selecting ones with the cheapest labor or fees, as they could be more likely to have subpar quality in their work, difficulty meeting deadlines, and cause issues for management and the community. All of this will blow back on the community, not the service provider.

If the work isn't done correctly, you'll have to restart the process of vetting and hiring another service provider to come in and fix it—a costly mistake that often means charging twice the amount, or more, for a project that should have been done right the first time. If you've done your initial research correctly, the ideal service provider will have evidence of their quality of work offered at a good price.

Hire locally. Choose local service providers when possible, since they are more likely to complete a project in a reasonable timeline and also are in a unique position to have worked with management.

In addition, service providers potentially have direct lines of contact that management can't capitalize on through its own means.

Have a wide selection. The more business partners you can choose from, the more the board will benefit. Limiting your selection will only hurt the community in the long run.

Service providers often are specialized, but some may take on projects outside of their usual scope of work. This may seem like a great way to build a better relationship, but most of the time, it's not going to be a good idea. Always pick the provider who is the best fit for the work at hand.

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CRAFTING THE CONTRACT

Contracts with service providers are the foundation for the new business relationship that will benefit the community. The right service providers need an appropriate, clearly outlined contract. Unfortunately, the contract is a common source of problems.

Before writing the contract, it's a good practice to send out a request for proposal, which indicates what the association needs from its service providers so they can send bids. At a minimum, it should include the following in writing:

- Detailed scope of work
- Start and end dates of the contract
- Terms of payment
- Insurance requirements
- Site plan
- Contact information

Proposals that are detailed and customized to a service provider will establish the community's expectations of the work it anticipates receiving and how it should be accomplished, making it much easier to craft the right contract. Do not expect the service provider to take care of everything, and do not expect them to teach you everything either. It should be the responsibility of management or the board to figure out what is needed from the service provider and how to express that to them.

A major pain point for service providers is when they've requested a proposal to complete a project, yet little to no information is offered. Not only will this prolong the amount of time it takes for the project to be completed, but the business partner will recognize you as a problem client. The more information you can give them, the smoother the project will go overall.

Without a clear contract, deadlines are missed, tasks are left uncompleted, arguments over pay arise, and other issues will pop up left and right. This will negatively impact your relationship and flow over into dissatisfaction in the community.

MAINTAINING RELATIONSHIPS

Community association boards and the community's manager take it upon themselves to serve in the best interest of their communities. However, it's important to understand when to step back and allow the service professionals to take the lead—while still having some involvement to make sure the work is getting done. Monitoring, not micro-managing, is key to a fruitful relationship with your business partners.

On a similar note, having clear lines of communication will benefit management, the community, and the service provider, especially those who work with minimal supervision or from an outside location. Having frequent check-ins, such as weekly virtual or face-to-face meetings, monthly progress reports, or quarterly site visits is a way for the parties involved to ask questions, address any concerns, and gauge how the relationship is going.

If any problems or complaints arise, resolve them in a proactive manner. Be aware that mistakes can occur, particularly if you contract with a new service provider. It's important to keep these in perspective; if the issue is rectified in a timely fashion without the provider being evasive or defensive, it can make the relationship stronger.

Trust is hard to gain but easy to lose. Even if you've been a great client initially, all it takes is one major screw up to destroy the relationship you've built. If service providers know working with you will be a pleasure, they will take on your project before a new client asking for similar services.

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As with any relationship, mutual respect also will prevent a good partnership with service providers from deteriorating. Defer to their expertise but also show interest in the work they do by learning some basic principles of the service they are providing. Treat them like a business partner instead of a hired hand. Offer some form of praise or recognition to let them know that their work is appreciated in the community.

The most common cause of lost trust with your service provider revolves around payment.

For example, if a community doesn't pay fees on time, that makes you a less favorable client to keep in their portfolio. A guaranteed payday is better than a questionable one. Other common problems are poorly drafted contracts, rushed deadlines, and misinformation.

Finally, just because a business partner has been providing services for a long time doesn't mean the relationship is healthy. It's important that management and the board ask themselves:

- Have requests for proposal to obtain new bids been submitted in the past few years?
- Is pricing on par with market rates?
- Has the business partner experienced changes in ownership or staffing that are concerning?
- Has there been a drop in the quality of work?

Depending on the response to these questions, it may be best to part ways with a service provider even after years of working together.

Long-lasting relationships with service providers are built through proper research and selection based on the scope of work, making expectations clear from the start, having adequate oversight, communicating frequently, and maintaining trust. Your association may have some tough learning experiences and decide to let go of certain providers but also may continue working with business partners who have been there from the beginning.

It becomes a breeze to get projects done when you choose the right business partners and maintain a relationship with them that ensures timely, quality work that a community will benefit from for years to come.

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GOING PRO

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