

Selecting a Management Company

All community associations require some type of management. Some associations are successfully managed by volunteers while others do well with part-time professionals. And still others need to find full-time, on-site management. Many opt for the full range of services and personnel available from professional community association management companies.

There is an important distinction between property management and community association management. Property management is an essential component of community association management, but professional association management goes one step further and also supports the board with the added governance component.

Once it's decided to select a management company, the board needs to be ready to invest time in the process. An organized approach will help the board avoid taking a cursory route or settling for a bad fit for the community.

The selection process includes developing a request for proposal, finding suitable candidates, scheduling on-site visits for each candidate, interviewing references, analyzing the data and making a final selection.

Bid specifications reflect the services the board expects from a management company. Detailed specifications make up the central document of a request for a proposal and ensures "apples-to-apples" bidding from each company.

The board should compile a list of prospective management companies by contacting similar associations in the area, a local CAI chapter, or the CAI website for recommendations. Don't rely on

the Yellow Pages or send a mass mailing to all local businesses. Many of these companies will be unqualified or mismatched.

Look for an Accredited Association Management Company (AACM) or those whose managers hold professional credentials, including:

- Certified Manager of Community Associations (CMCA)
- Association Management Specialist (AMS)
- Professional Community Association Manager (PCAM)
- Large-Scale Manager (LSM)

An association should never hire a management company based on price alone. It's important to hire a firm that has a strong knowledge of community associations and the ability to solve complex problems. Make sure to look for a management company that can provide the community with solid managerial leadership.

Once the board has made a decision, it should meet again with the new firm, review the proposal and specifications, answer any remaining questions and finalize the contract.

Selecting a management company is an important task. If any portion of the selection process isn't properly completed, the association may choose the wrong firm.

The board and the management company should agree from the start how the association should be run. Similar expectations, good communication and quality work will ensure a smooth relationship between the partners for years to come.