

CONDO HOA

MANAGEMENT MAGAZINE

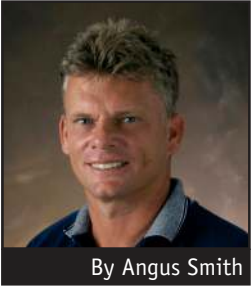


PROVIDENCE GOLF & COUNTRY CLUB
A COMMUNITY THAT
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Also in this issue...

- » Finding your purpose through life and work balance
- » How important is image to a manager's career?
- » In whose best interest?

CALIFORNIA EDITION



By Angus Smith

What type of team does your association have in its corner to keep it strong and capable of meeting today and tomorrow's challenges in the community association industry? Is a larger team of specialized service providers needed more today, than say 20 years ago? Perhaps yes. Why is that? Technology advancement in administrative, production and management systems over the past two decades would lead one to believe that reduced costs would be prevalent in

IN WHOSE BEST INTEREST?

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specialized services. That probably isn't the case and I believe it prudent to carefully evaluate the need and cost of these services.

America and much of the world has become incredibly efficient at producing consumer items for an increasing worldwide population that demand a civilized and comfortable living. Because of this, it's a challenge for industrialized countries to have an economy that generates full employment for all of its people. Today's efficiencies and the Internet has dramatically changed the employment landscape and the service industry in America. Questionable services that were not on the radar two decades ago are popping up on the landscape and making themselves available to the community association market.

Many forces may be at play in the process of building a team of professionals to protect your association and its best interests. Each entity being considered for your team will of course have their own self interests to protect and prioritize. One should analyze carefully what their self interests are and what impact they may have on your association.

The costs and effects of litigation are huge factors in today's community association industry. Attorneys have and continue to exert much influence on how your association and the industry in general functions. Has their influence been put forth in the best interest of our industry or

in their self interest of creating employment and earnings for the legal establishment. Do we really need a 25-page contract for a small repair job? Why is this necessary and who benefits from it? Should the association encounter a problem with a contractor's performance for a typical association repair, is it a viable option to take them to court at a cost that far exceeds the contract amount and could take five years or more to be heard in a court of law?

Warren Buffet commented on CNN recently that he purchased the Burlington Northern Santa Fe Railroad for \$26 billion on a hand shake. He did the purchase on a Saturday morning and spent the afternoon watching a college football game. He said, " if you do business



with bad people, it's going to be bad business." He suggested that focus should be on "honor and integrity" of the participating players and not on legal composite.

I recently read that America spends more money teaching lawyers to sue builders for faulty roof installation than they spend on teaching proper roof installation. Does that make sense and whose best interest does it serve? I find it interesting that almost all seminars property and association managers attend today is related to litigation. Why is that? Wouldn't it make sense for your manager to be more knowledgeable and effective in property maintenance, management systems, management administration, communication, leadership etc.?

How effective and necessary are consultants in your association? What is their purpose? To write a scope of work and oversee the entities executing the work? Should one assume their honor and integrity, their ability to diagnose problems and write a corrective scope of work is at a higher level than the entity who has the experience and expertise to actually execute the work. Should one conclude that contractors in general lack honor and integrity and need consultant oversight? Is consultant oversight really needed for the project? Will it bear positive results for your association or is it just an additional layer of management that ultimately adds to the manager and board of directors oversight and directly affects the association's bottom line?

Mold. This word has the ability to put a shudder through the property management ranks. It didn't 20 years ago. Why is that? Have more fungal species been spawned in recent years? Has the human body become more susceptible to fungal spores than what it was 20 years ago? I think not but if you look closely at which industries are benefiting from the fear of mold, it may not be difficult to connect the dots and see which forces have pushed this issue out of obscurity and into the limelight. Has this heightened awareness been to the greater benefit of your association or to the attorneys and vendors the association calls for protection?

Surely we can all benefit from the wisdom of Warren Buffet and the honor and integrity that made him and America great. Run brave and don't cower to forces that may not be acting in your and America's best interest.

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Raising the Bar

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