



Commentary By **Kim Ades** | **REAL ESTATE**

The ‘Dead Horse’ Syndrome

“When you discover you’re riding a dead horse, the best strategy is to dismount.”

I gleaned this bit of wisdom from Harley Rouda, managing partner of Real Living, Inc., at the RISMedia Power Broker Forum at the NAR Conference, and it prompts me to ask: How many of you have a dead horse or two in your stable?

With over 400,000 agents selling less than two homes per year, it seems like a lot of brokers have more than a few dead horses in their offices.

What has happened to our industry that so many unsuccessful agents exist?

The key to answering this question lies in our attitude towards recruiting.

Many brokers believe that the mirror test is still the best way to recruit agents. If they’re still breathing, then they’re good enough to hire. This method may be good at getting agents in the door, but that’s it. Since most of these agents don’t have the skills to become profitable, hiring them is just a waste of your time and money.

Barbara Corcoran from The Corcoran Group estimates that the cost of a bad hire can add up to \$40,000 and includes loss of time, training, reputation, lost opportunity costs, low morale and legal fees. The cost to the industry is even greater, because each one of these agents further contributes to the poor reputation of real estate agents and the brokerage.

When you’re considering a surgeon to perform an operation on you, would you be satisfied if they simply passed the ‘mirror test,’ or do you want them to have some skill as well? Why not demand the same from real estate agents?

Obviously you don’t need to be a brain surgeon to sell real estate, but you need to be more than just a breathing body. As an industry we need to change the way we think about recruiting. We need to move beyond just getting warm bodies in the door. We need to stop riding dead horses and recruit strategically by hiring skilled people who will be profitable.

Allan Dalton, president of Realtor.com agrees: “We have to focus on skills rather than service, where skills are the cake, and service is just the icing. We have to

move from a recruiting and retention approach to a selection and career development focus.”

Some leading brokers are beginning to raise the standards by which they recruit by incorporating skills-based assessments and structured interviews into their screening process. By doing this they find that they attract more qualified applicants and that they are recruiting more highly skilled agents than ever before. These skilled agents are not only more profitable, but they project a positive image for the brokerage and the real estate industry as a whole.

Although brokers are taking it upon themselves to raise the industry’s recruiting standards, I ask myself whether state regulatory bodies should become involved in the process. Just as we expect our surgeons to pass skills-based exams, maybe it’s time we think about asking our real estate agents to do the same. ■

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