

SERVICE SWITCH

WHEN A PARTNERSHIP DOESN'T WORK OUT, IT CAN FEEL OVERWHELMING TO START THE SEARCH FOR A NEW SERVICE PROVIDER. ENSURE A SMOOTH TRANSITION BETWEEN PROFESSIONALS WITH THESE BEST PRACTICES.

By **Beth Gilbert**

Reprinted with permission from the January/February 2021 issue of Common Ground™ magazine, the flagship publication of Community Associations Institute (CAI). www.caionline.org

THERE ARE TIMES when a community association management company or board of directors will be faced with the decision to end a working relationship with a service provider.

Perhaps your community's maintenance requirements are having shortcomings or problems. Maybe the management software provider hasn't been listening to your needs for enhancements that will allow you more efficiency. It's possible that legal counsel is failing to give timely advice and proper assistance.

Coming to the realization that you need to transition from one service professional to another can be difficult, especially if you've been working with them for a long time. Whatever the situation is, you want to be smart about your decision and take the time to do the necessary work to make this change worth the effort. Hopefully, you can build a long-lasting, mutually beneficial relationship with your new service provider.

Here are six best practices to ensure a successful transition between service providers.

START A DOCUMENT

When you are about to transition from one professional to another, treat it like a project. Start a document where you can easily organize your thoughts and information; you can even use presentation applications to make the content visually appealing.

Turn this document into an easily shareable format so you can get buy-in and feedback from stakeholders. Depending on the professional service being evaluated, stakeholders might be key players on your board, committee members, management, or staff members.

When it comes to team involvement, consider adding a "RACI" chart to the beginning of your document that identifies the stakeholders and their contribution to the project:

R—Responsible. This is the person on your team who is doing the groundwork and is the point person for the project.

A—Accountable. This may be the manager or director of the department who will, in the end, be the person held accountable for the decision on which professional service provider the community chooses.

C—Consulted. This is the person or people whose feedback needs consideration throughout the project. Perhaps it's the managers who will be directly working with the new service provider or accountants who will be working with a new software you're looking at acquiring.

I—Informed. Think of this as those who need to know what is going on but don't necessarily need to be involved beyond that. Perhaps you need to inform your boards of a change in professional service relationships but do not require their input or feedback to make your decision.

SET STANDARDS

You already know why you are terminating one professional service relationship in favor of transitioning to a new provider, so start there. What are the must-haves from this new business partnership? A few things you might want to consider when setting your standards include response time, customer satisfaction, efficiency, cost, and experience.

Be specific on the things you will not compromise on versus simply what would be nice to have. Perhaps it's improved response time. Depending on whether your budget is locked or flexible, identify the boxes that need to be checked to consider this new service provider. Add a section to your project document that outlines all of this information.

continued on next page



www.caionline.org

#WeAreCAI

Follow us @CAIsocial    

SERVICE SWITCH, *cont'd.*

continued from previous page

Setting standards will make a good jumping-off point as you start to conduct research and meet with potential professional service providers. You want to ensure you're asking everyone the same questions and sharing the same details so you have consistent information to use when making comparisons moving forward.

CONSIDER MULTIPLE PROVIDERS

To come up with your shortlist of options, first ensure you're doing your due diligence. Research the individual or business by looking up online reviews on third-party sites as well as testimonials on their website and social media accounts.

As you carry out this research, go a step further and think about the context of the reviews. People often leave negative feedback because they are caught up in the moment and want to take action. When you look at those reviews, do you see timely responses by the company or individual in question? Do they pay attention to reviews and comments and resolve outstanding issues? See how they handle comments on their social media accounts too. This will help get a well-rounded view of both the reviews being left and how they react to them.

Another great way to find new professional service providers and gather feedback is by attending industry events. Whether in-person or online, events can help your community discover even more options. Take time to listen to a variety of providers and ask around to see if others have anyone they'd recommend. Document all of your findings in one place so you can compare the various options you're researching. Having everything consolidated also makes it easier to share the information with your team and stakeholders.

While it may feel like you won a golden ticket when you have a great conversation with the first service provider you speak to, it doesn't mean you have to settle right away. Research and interview at least two more options before you make your decision. You may find that while your first option was great, other professionals might have more to offer. These are all things you'll want to consider and add to your research document.

ASK FOR REFERENCES

As you get closer to narrowing down your choices of new service providers, it's a great time to obtain references. Ask if they have any satisfied customers you can talk to or if they can share case studies that show how they've helped communities like yours, for example.

Word of mouth also can hold a lot of weight when it comes to the reputation of professional service providers, so ask around. A simple question like, "Do they listen to customer feedback?" can go a long way in finding the right professional.

Document all of this and be sure to include where the statement came from. Was it a conversation you had directly with one of their customers, or was it something you heard from someone who worked with them in the past? By having all of this input in one place, you can make a more strategic decision.

REVIEW LEGAL DOCUMENTS

After you've confirmed your new professional service provider options are highly regarded by their customers and the community, be sure to review all of their legal, compliance, and operating documents. This step often can be overlooked, but it's crucial to make sure the proper documentation is up to date and valid. If it isn't, your community could be held accountable in the event that something happens.

Once you finalize your decision, it also is important to take time to review and gain a firm understanding of any contracts you enter with a new service provider. For this step, it's recommended you have your legal counsel involved to ensure nothing goes unnoticed. When everyone is on the same page and in agreement, you can mitigate the potential for risk or issues down the road.

continued on next page



www.caionline.org

#WeAreCAI

Follow us @CAIsocial    

SERVICE SWITCH, *cont'd.*

continued from previous page

BE TRANSPARENT

While much of this decision is based on the new professional relationship you're bringing into the fold, it's just as important to ensure the new partner fully understands your community.

What is your budget? What are your goals for the year? Where do you see your community in one, five, or even 10 years? Will this service professional be able to keep up with your needs as they stand now and how you see them in the years to come? Knowing this will help you and the service provider understand if the partnership will be a good fit. Document all of this information as well, so it's easy and accessible for the conversations you have as you go through this process.

The relationships with your professional service providers can directly affect the success of your community. It's essential to take time to evaluate them at least on an annual basis. You need to ensure that you're getting the services you're paying for and a supportive, mutually beneficial partnership.

Transitioning to a new service provider can feel overwhelming, but you aren't alone in this journey. Keep stakeholders informed and ask for their opinions to help make an informed decision. Switching to a new service professional will ultimately impact everyone—board members, homeowners, management, and other services providers—so it's essential that you listen and gather their feedback.

If you follow these steps and document all of your findings, it will be well worth the time and effort you put in to the end result: a partnership that will support your community now and in the future.

Beth Gilbert is the senior director of the community association market at AppFolio. beth.gilbert@appfolio.com

©2021 Community Associations Institute. Further reproduction and distribution is prohibited without written consent. For reprints, go to www.caionline.org/reprints.



www.caionline.org

#WeAreCAI

Follow us @CAIsocial    