

The National Association of Realtors, “The Voice for Real Estate,” is America’s largest trade association, representing more than 1.2 million members involved in all aspects of the residential and commercial real estate industries.

Remarks Prepared for
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How to Lead in Challenging Times

Introduction

- Let me begin by asking three questions.
 - What is the best way to make an important decision – quickly with little information, or wait and gather all the information?
(pause)
 - What is the best way to spread an idea – through formal channels, or like a virus?
(pause)
 - When an individual succeeds, what is more responsible for the person’s success – the individual’s characteristics, or the community, family and generation they come from?
(pause)

- How did each of you answer?
 - If you answered them counter intuitively – then you would be correct.
 - Or you have read award-winning journalist and author Malcolm Gladwell’s popular books.
 - He is one of my favorite authors.
 - These questions also have another purpose – they can help REALTOR leaders successfully lead during challenging times.

- Today, I want to apply each of these three ideas to our work as REALTOR leaders, who undoubtedly are leading during difficult times.

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Making Decisions in an Instant

- **First, making decisions in an instant with less information can lead to very effective decision making.**
 - **On the surface, this sounds counter intuitive to what we have learned.**
 - **Malcolm Gladwell calls it rapid cognition. And as REALTORS, we do this all time.**
 - **We make instant decisions about whether someone is serious about buying a home.**
 - **Why do we do that?**
 - **Because we quickly analyze signals that gage their interest.**
 - **Imagine if we didn’t do this. We would spend all of our time gathering information, and we would never get a home sold.**

- **As Association leaders, this can also help us.**
 - **First, when do we encounter situations when we use rapid cognition?**
(pause)
 - **When we interview someone for a position.**
 - **When a new idea is offered.**
 - **In the heat of battle.**
 - **What positions do we interview for, what new ideas are being offered, and what battles are we fighting?**
(pause)
 - **When we decide who should be a committee chair or vice chair.**

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- When committee chairs or members propose a new smart growth program, or a new way of implementing a legislative proposal.
- When working with Congress, or City Council to pass legislation to stimulate the market.
- These are situations-- particularly at times of high pressure and stress-- when haste does not make waste.
 - Our snap judgments and first impressions offer a much better means of making sense of the world.
- We also need to recognize when our rapid cognition will not lead to a better decision.
 - When does that occur?
 - When we have a built in bias.
 - And that bias does not allow for reasoned decision in a snap.
 - In these situations, having more information will help overcome the built in bias so that we can make an effective decision.

Spreading Ideas Like a Virus

- Second, ideas and behavior and messages and products sometimes behave just like outbreaks of infectious disease.
 - They are social epidemics.
 - Malcolm Gladwell’s “The Tipping Point” is an examination of the social epidemics that surround us.
- How do we create a tipping point that spreads our message of “Unlocking America’s Economy” in the same way as an infectious disease?

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- **Start with an idea. For REALTORS, our current idea is to unlock America’s economy.**
- **Flesh out that idea. REALTORS have a Housing Stimulus Plan to unlock America’s economy.**
 - **Use TARP funds as they were originally intended – help troubled homeowners stay in their homes.**
 - **Create a federal mortgage interest buy-down program to bring down interest rate spreads to historical averages and reduce mortgage interest rates.**
 - **Restore maximum loan limits up to \$729,050 and make them permanent.**
 - **Make \$7,500 tax credit available to ALL homebuyers, and eliminate repayment.**
- **Activate interested parties to announce their support for the plan.**
 - **Calls for Actions.**
 - **Broker Involvement Program**
 - **Test state in MA**
 - **Communicate with members and consumers. - NAR is doing a new talk radio program**
 - **a web chat with 2009 NAR President Charles McMillan**
 - **Special President podcasts with updates of legislative movement.**
- **This will create a “tipping point” for Congress to urgently act to unlock America’s economy.**

➤ **Already, our ideas are spreading, and reaching the “tipping point.”**

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- The administration requested release of the 2nd half of the TARP funds which included foreclosure mitigation and mortgage interest rate buy down program.
 - Our united voices were heard loud and clear on Capitol Hill.
- **We can’t stop now.**
- We have built momentum.
 - Coming up we need to ensure that we unlock America’s economy by modifying the homebuyer tax credit, make higher loan limits permanent, and have a mortgage interest rate buy down.
 - Look for Calls for Actions coming your way.

Communal Nature of Success

- **Third, as leaders, we need to foster the communal nature of success. The self made individualist of the pioneer west is a myth.**
- In Malcolm Gladwell’s “Outlier”, he shows we are too focused on the individual when examining those who get the farthest ahead in the world.
 - This is an incorrect way to look at things.
 - To understand successful people you have to look around them—at their culture, community, family and generation.
 - Our REALTOR organization has always had it correct – Associations succeed because we bring people together.
 - To mentor
 - To be mentored
 - To share success stories
 - Also point out what does not work

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- During this challenging time, we must continue to encourage our members to take advantage of our programs and resources, so that they can succeed when times are tough.
- We are successful through perseverance.
- The smartest kid in my high school class is NOT the most successful.

25 Minute Break

- Now I would like to take 25 minutes to discuss these leadership tips, and whatever is one your mind.
 - Then I would like to finish up with a few closing thoughts on some of my personal heroes, and the importance of volunteerism.

Personal Heroes

- That was an excellent discussion. To close, I would like to offer some thoughts on my personal heroes and what they have meant to me.
 - My first hero is 2001 NAR President Richard Mendenhal.
 - Inspiring leader
 - Knew how to communicate his ideas.
 - And my all-time heroes are my Grandfather John Brophy, my mother who started Phipps Realty and my father.

- As REALTOR leaders, we are here not because we are getting paid, but rather because want to make a difference in the lives of our members.
 - Volunteering your time in pursuit of helping others is a noble effort.
 - Thank you for making a difference the lives of your members and your community.
 - Greater Boston is stronger because of your efforts.

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- **Thank you.**