



Board Member Training Tips: Easing the Learning Curve

Without training, where would we be? It sets us up for success in our personal and professional lives. Its purpose is simple—to inform, enlighten, and prepare us for the future—and its impact can be powerful and far-reaching.

For those of us working closely with owner associations in the timeshare world, it's increasingly evident that providing some level of formal training for association board members is essential to running a resort effectively. As the industry grows and morphs, so, too, do the issues facing boards of directors, whose responsibility is to make well-informed and astute decisions affecting hundreds or thousands of timeshare owners.

Like many others in the industry, Hilton Grand Vacations provides training for all newly elected board members. A two-day program is coordinated annually for them, focusing on several key areas like board procedures, director best practices and ethics, and budget preparation. We present tutorials on understanding financial statements, reserve funds, and association governing documents. We believe it's important to combine the training sessions with casual get-to-know-each-other activities, so we also coordinate receptions and meals for participants and management staff.

The end result is a knowledgeable group of new board members grounded in the fundamentals of how associations work—leaders who will have the advantage of being exposed to the logistics of timeshare governance before the real decision-making begins. Perhaps most important of all, the training sessions

create a closer relationship between board members and staff, which, as most of you know, is vital to successful association management.

“The networking component allowed us to meet fellow board members from properties all over the country,” says Paula Cope, a board member with The Hilton Club and president and CEO of Cope & Associates Inc., a training and consulting firm. “This, in turn, allowed us to learn from one another and increase our potential for peer coaching from knowledgeable colleagues.”

Here are some recommendations for building a solid board, compiled from things we've learned over the years that may be helpful for other resort groups.

Start with the basics.

Any effective training program needs to include an explanation of how to conduct productive board meetings and handle association business efficiently. At Hilton Grand Vacations, we prepared a list of our 10 most important items to consider when conducting a board meeting. The list includes such basics as establishing a written agenda, keeping accurate minutes, and following the association's governing documents.

It also includes some procedural advice that on one level may seem obvious but perhaps is not always intuitive to everyone. For instance, we address the need to allow everyone the opportunity to speak, ask questions, and present a different point of view. Sounds simple enough, but it's a point we believe cannot be stressed

enough. We urge participants to be open to and learn from the different perspectives and opinions presented by their colleagues. At the same time, we address the responsibility of the board chair to control the meeting and limit debate if necessary. We emphasize the need for board members to respect the position of chair and defer to his/her direction and decisions.

We also communicate the need to adopt specific policies for the governance of the association (related to conflict of interest, investment of funds, expense reimbursement, etc.) and to follow the policies closely. This provides clear direction and helps everyone avoid confusion.

Of course we don't forget one of the most essential aspects of serving on a board—to have fun! It's true that the board is responsible for making weighty decisions involving complex issues and sizable sums of money, but enjoying the process makes everything far more rewarding.

Develop a well-rounded program.

Although it's not always easy for participants to grasp at first, Hilton Grand Vacations instructs new board members on the abundant fiduciary duties and other legal responsibilities they assume as directors of an association. We provide them with general principles governing the liability of directors and officers, an analysis of potential exposure and loss-prevention procedures.

Training sessions also examine the association's accounting and billing processes and how financial documents should be read and analyzed. To provide these overviews, you can invite your company's experts in HOA accounting or compliance to participate.

Other sessions can touch on topics such as property refurbishment, reserve studies, owner satisfaction surveys, and aspects of resort management and operations. Again, sessions like these prove most effective when presented by your respective experts.

A well-rounded training program also focuses on the procedures used to elect officers of the board, outlining the specific duties of each officer from president and vice president to secretary and treasurer. Brief definitions and explanations of board terminology (quorum, obtaining the floor, making a motion, etc.) are helpful, too.

Take training as a process.

Remember that training is a journey, not a destination. One of the byproducts of this training is the realization of board members that continued training can be especially valuable. To that end, we launched an electronic newsletter exclusively for board members. The communiqué delivers insights and other content designed to enhance their understanding of issues facing their association and to provide them with advice on making sound decisions.

Application

The gap between a well-informed board member and one who is left mostly in the dark can be enormous.

Board members well versed in the details of their duties provide considerably more value to their associations. In a way, board training is “a risk management tool,” according to Cope. “Setting clear expectations for our roles is beneficial to both the (developer) and each board member.”

Educated board members don’t just engage in more thoughtful dialogue and analysis; they produce more successful outcomes for the multitude of timeshare owners they pledge to represent. ▀

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