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YSP Podcast Transcript: Episode 258. Reputation management for strata managers

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Intro: Welcome to Your Strata Property, the podcast for property owners looking for reliable, accurate and bite-sized information from an experienced and authoritative source.

Amanda Farmer: Hello and welcome. I'm your podcast host Amanda Farmer, and it's my job here each week to help you demystify the legal complexities of apartment living. My guest this week is Elizabeth Heusler. Elizabeth is the Director of Heusler Public Relations, working with clients in the property arena, from financiers to developers, builders, architects and real estate agents with a special focus on crisis management. After her initial training in journalism, Elizabeth transferred to Europe to further her career in London and later Madrid. She has a lifetime of experience. Her clients have appeared in every media publication and outlet from emerging online sites to sophisticated financial and foreign press, as well as lifestyle glossies and late-breaking TV news. Elizabeth helps her clients engage with today's diversified audiences and digital platforms from television to the Twitter-verse. She says, *"For every client, you see in the media, there is another clamouring to hide from the spotlight."*

Elizabeth relishes the diversity of charting the turbulent waters of issues management. And never have we seen more issues needing management, then when we look at our strata sector, this is a key episode for strata managers, in particular, to be tuning into, but we do cover off, why buildings and committees need to be aware of and concerned about reputation management as Elizabeth calls it. In this chat, we wonder why 'sorry' seems to be hard to say for some professionals and how we can get better at saying, sorry. We talk about the image problem that strata management seems to have and how we can work to change this and why it is that those who are skilled in the art of reputation management will begin to stand out in our modern world of strata management. I'll take you over now to my chat with Elizabeth Heusler. Elizabeth Heusler, welcome to the show.

Elizabeth Heusler: Thanks, Amanda.

Amanda Farmer: I have been looking forward to chatting with you Elizabeth because this is a very important topic that our strata managers, in particular, I think need to be across, reputation management. What is it and why should our strata managers care about reputation management?

Elizabeth Heusler: It's a fascinating speciality. It comes under PR and communications. It's quite broad and all-encompassing. Reputation is shorthand, it's what you stand for. It's what you demonstrate every day, that can start with managing your own personal brand to issues and all the way through to crisis management. Crisis management of course gets all the attention because it's the most critical news value. Smart companies prepare for issues and they prepare for crises.

They have spokespeople appointed and trained. They've got crisis management plans in place, they've got statements and points of contacts in place. It's like a drill, like any emergency worker in any emergency situation. My motto is you win it or kill it in the first hour, which means we have a hair-trigger. Issues and crises don't really occur between nine and five, but you can resolve an issue if you're on it straight away, rather than letting it escalate.

Amanda Farmer: It sounds to me like reputation management is perhaps a far bigger idea, bigger concept than we might have thought as people on the outside of this process. I know strata managers often think about branding and brands, and you've said there that branding is perhaps just one part, and from what I'm hearing maybe a small part of reputation management. I really want to dig into this other very important component I'm hearing which is crisis management because so often our strata managers correctly or otherwise feel that they're in the middle of a crisis.

Elizabeth Heusler: Well, I think it's the nature of the job because you're dealing with issues every day, and you're dealing with communications every day. So everything that I'm talking about for crisis, it's the same disciplines in your day to day communications. That's what your personal brand is based on. That's what your company reputation is based on.

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Amanda Farmer: And you have said there, Elizabeth, you teach your clients or you have a motto, 'Kill it or win it in the first hour'.

Elizabeth Heusler: Yes.

Amanda Farmer: Can you unpack that a little bit more if we're talking about a particular crisis, I imagine where we're concerned about this first hour, a very famous one in the context of strata management is our Opal Tower in Sydney being evacuated on Christmas Eve, that was really a situation where I know that strata manager, Daniel Holt, who has been a guest on the podcast talking about those hours after that happened, bearing that kind of a situation in mind. What do you mean by 'Kill it or win it?'

Elizabeth Heusler: The first hour is the golden hour. That's why you need either to prepare yourself, prepare your company, or have someone like me on speed dial. So say there's an event at a building. The one who gets the messages out is the one that controls the messages. Everybody wants someone to talk to. So if you pop up and say, *"I'm the person to talk to."* Everyone will come to you. So know who the stakeholders are, you know who the players are. You're controlling the message. You don't have to resolve the issue in the hour. Nobody expects that, but you have to declare yourself as the contact point in the first hour. In that first hour, you know who your media are, you know who the contacts are. You know who everyone is. You can say something very simple. Just use one of those examples.

We realised there is an issue, we're looking into it. We will have some news back at midday. You've controlled the issue. You've controlled it. Then you go back at midday and you say, "Here's what we've discovered so far. We expect a building report at the end of the day." A crisis it's not just a crisis, that goes down to your day-to-day communications as strata managers. I'm dealing with a very new strata manager, who I was very excited about. And I emailed yesterday morning and I got an email back today that said, *"Your communication has been noted."*

He killed me in the first hour. What he could've said was, *"How great to hear from you. I'm looking forward to working with you. I'll be back to you on Friday."* So it's the same disciplines as I didn't an issue I just wanted to know something. He didn't have to solve my problem there and then, but he had to let me know, he was on top of it, he was in control. So a big issue is the same as your day-to-day communication, that all comes under reputation. His reputation went from hero to zero. That was his first contact with me.

Amanda Farmer: I really love that, and I love that you have shared that. So, simply we don't have to solve the problem. We experienced this as lawyers as well. We have clients emailing us, wanting things, and we feel the pressure to solve that problem immediately. So perhaps we don't reply, because we feel like we can't solve the problem or you get the generic reply. Something I've certainly learned to do over my years of practice is to reply and say, "I've got it. I haven't yet read it because unfortunately I'm involved in another case this afternoon, but I will read it and I will get back to you tomorrow at midday." And that's all clients need to hear. They hear that and say, great, I've got some certainty. I know it's not lost in Amanda's inbox. She has seen it and she will be getting back to me. And that immediately relieves me, but more importantly, relieves the client. So I'd love to see our strata managers doing more of that too.

Elizabeth Heusler: You can take that one step further to really enhance your reputation, and that's managing up. So there's one strata manager I ring from time to time, and she always sounds so pleased to hear from me, I'm sure she's not, but she always says, "How great to hear from you. Thanks for your call." And I might suggest something that's not that brilliant. She'll say, "I can see where you're coming from, may I suggest a different way of looking at that." She always reacts in the positive, no matter how heavy my phone call is. And strata managers are in a tricky situation because people are not going to call a strata manager and thank them for their compliance with Section 182 and 183. You got to call a strata manager when you have an issue. So every day, the strata manager's day, I would suggest every minute of a strata manager's day, is dealing with an issue.

Amanda Farmer: Yes, managing up. You called it.

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Elizabeth Heusler: We call it managing up. That means you manage your client before they manage you. So my experience this morning with the new strata manager if he said, "I'll get back to you next Monday." I would have been happy. It wasn't an urgent thing, it was just a query. "I'll get back to you next Monday. So great to have heard from you," would have put me in a very different position.

Amanda Farmer: And it doesn't take that much more if it doesn't. I know our strata managers under the pump, there are not enough hours in the day. There are potentially thousands of emails in an inbox at any one time, but I think that extra 5 seconds is going to do a lot of good and take that relationship and that reputation management along way.

Elizabeth Heusler: Takes a lot of effort, Amanda. It's not a natural skill. It's a learned and trained skill and this is also for strata managers who are traditionally, nobody has that skill naturally. And even when you start to do it, it feels unnatural until it becomes ingrained, so it's training. It's a skill. Nobody does it naturally.

Amanda Farmer: Well, let's start working on it, strata managers. Now I know Elizabeth, you work with a lot of people in the property area, developers, builders, architects, and I know you have a workshop where you teach another motto of yours, perhaps that, sorry, isn't that hard to say. Now, why don't businesses say, sorry, more often, if it's not that hard?

Elizabeth Heusler: I know, I've got a whole workshop on how to say, sorry. You wouldn't think it was that hard. Practice saying, sorry. If you stuffed up, it's a very powerful word to say. Sometimes people are scared and they think it's an admission of liability. But liability is decided by the courts. Remember, we're aiming to resolve the issue before it turns into a crisis, before it turns into going to court. So when you say, sorry, don't set through clenched teeth or give a Clayton's apology. There's a little bit more to it than that. As I said, we aim to manage the issue and turn it around. The media expression is villains and heroes. So if you've made a mistake, you're a villain. We want to turn you into a hero. And this is the same thing with the word, sorry. So you don't want to just apologise.

Elizabeth Heusler: You want to turn it around and become the hero, which you can be. So provide the detail of why there was the stuff up. Explain why the event occurred. There was a breakdown in the system. You were preoccupied at the time, something went wrong. Explain what happened in detail and what you're going to do to ensure it doesn't happen again and how you're going to put it right. The owners are on you to give that explanation, then fix it. Then say what you're going to do to fix it, to ensure that doesn't happen. I'm double-checking the quotes from now on. I'm doing the due diligence on the insurance policy. Then you tell people what you've done. I've got the new insurance policy. I've done all the new due diligence. I've appointed the new strata manager. I've rung all the referees. I even rang people that weren't the referees.

I went to the buildings. Tell people what you're doing. I had an incident with a client just very recently, who had a lot of negative Google reviews, and we did the above process on their clients who had all the negative Google reviews. I'm beaten. She took out her bad Google review down and put a good Google review up and said, how well, they'd managed the issue. So there's a lot you can do, don't put your client in the position of asking what you can do for them, because that might make it worse because they don't have a frame of reference. Offer what you can do to fix it. Can I come and talk to you about it? Can I send you the insurance policy? Can I show you the due diligence I've done? Offer what you can supply. Send a bottle of wine, send a gift certificate. The great thing about that is in our culture in Australia, we're very forgiving. We love a try and we love people that say, I've stuffed up. I've made a terrible mistake. This is how I'm going to fix it. You can turn that around very easily.

Amanda Farmer: Yes, I do see and I accept that I am in a position where I'm assisting clients to resolve disputes and conflicts, so I have a particular perspective, but I do say too often, I think, situations where a building, a committee is unhappy with the services being provided by their strata manager. They have expressed that to the strata manager often in writing and maybe sometimes with my help. And the response that comes back from the strata manager, doesn't contain an apology, contains instead, some

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excuses, some disagreement, and sometimes even refusing to acknowledge or accept or reply to the concerns that have been raised. And when you said earlier, you kill it or win it and saying nothing, shouldn't be an option. I do see many strata managers falling into that trap and I can tell you from my perspective, it ain't a good look.

Elizabeth Heusler: It's purely lack of training, nothing else. They don't know what to do, so they do nothing. It's the most common strategy. And again, we're using small examples, but this is no different in a major crisis. The most common strategy is denial. And often I'll say the new clients who've rung me when there's an emergency, we have to do this. Let me think about it. Let me work on it tomorrow. Let me talk to my lawyer, let me do it. We don't have time for any of that. Everybody wants it to go away, and it's a high-level business. They'll put their head in the sand and say, "I just don't want to deal with it." So it's no different from one level of business to the other. It's just lack of training. I learned to say sorry and I remember my boss at that time who is an old tyrant who was the editor of West Australia says, "*Apologise till it hurts and then when it starts hurting, start apologising again.*" But once they get that training, they see how great it is and how well it works for them because your client is rushing to a strata manager.

They're already halfway there. They're already saying, "Just apologise to me and let's move forward." No one wants to believe me. Nobody wants to change strata managers. Everybody would rather work with their strata manager to make it a happy situation. So if someone's writing to you, in crisis management, we love the people that complain, because we can isolate them, fix them, turn them into ambassadors. What we don't like, is the complaints that we don't hear about because they're working against us behind the scenes. They're the dangerous ones. So you get a complaint. Embrace that complaint.

Amanda Farmer: Yes. Very good advice. Now, Elizabeth, I know that you are a strata owner, a committee member, a resident. So you're in a pretty unique position when it comes to your expertise in the art of reputation management. And I have these questions on my list to ask you for that very reason. What do you think about the image of strata managers? Do you think that they have an image problem? We have heard that in our sector for a little while, their strata managers are on par with real estate agents, used car salespeople, maybe lawyers, not the kind of people that have a high trust factor. What do you think in your experience as an owner and also with your expertise as a reputation manager?

Elizabeth Heusler: Yes. What you say is true, but it's also understandable because what we've just been speaking about, strata managers lack communication training. They also are dealing with issues every day, so that's a very, very volatile combination and all day long as I said, nobody rings up a strata manager to congratulate them for complying with the Section 182. You aren't hearing a strata manager when there's a problem, so they've answered that phone. It's a problem. And what you said about the changing strata managers, all of those things impact your reputation.

Amanda Farmer: So getting communication training is that the answer here is that how we solve this image problem, recognizing that image is important and that reputation management is important. And that it is a learned skill. Is that what our strata managers should be doing?

Elizabeth Heusler: Well, reputation is important because we have a reputation. So we have to manage the reputation, but this is quite a new skill in the business to business environment. I work with builders, architects, property developers, who 10 years ago, wouldn't have known such a skill existed. They would bungle their way through it as well. So the difference is now, it's a known skill and a learned skill. And those strata management companies, they care about their reputation. They will adopt that skill and they will shine. There'll be ones that don't care about their reputation and they will just sink to the bottom. And that will just evolve over time, as other clients expect communication skills now. Clients are more savvy. They expect a brand when they deal with a brand.

Amanda Farmer: Yes, I agree and now increasingly competitive space. This is the kind of thing that is going to set strata management companies apart. What about buildings, Elizabeth. Is reputation a thing for our strata building, should owners and committee members be thinking about the reputation of a building and working on that as well?

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Elizabeth Heusler: I think all building owners know that buildings have a reputation, from one end from the crisis end of the building's reputation down to the harmony of a building. And now every strata search, people look for how harmonious is this building? How inclusive is this building? Every building has that. And again, it's the smart owners corporations that invest in developing a building's reputation. It's why you see on one side of the road, a building with rubbish in the garden, junk and parcels piled up in the hallway, a grumpy concierge.

And then on the other side of the road, you'll see a pristine building, a neat smiley concierge. That side the building's, value is going to increase. It's like strata managers, the smart buildings, get it and work really hard on it. They've got websites, they're easy to deal with, they've got points of contact. I love the websites where they have all the tradespeople that they recommend, and they've got pride in their building. And then you look at other websites and you think, "Oh, I'd steer clear of here." It's the same as doing strata searches. How easy do they make it for you to do that strata search?

Amanda Farmer: I like the way that you have pointed out there, Elizabeth, both the internal I'll call it and the external of a building. You've talked about the books and records, and what do we see on the correspondence about how harmonious the building is, and then also, what does the building look like? What does the foyer look like? How are the gardens kept? I think sometimes a building may focus only on the external and not realise these days, how important the internal management is, the quality of the books and records, the content of the books and records, especially as our owners become more savvy and potential purchasers are looking at these records and making a buying decision based on them. It's no longer good enough, nor should it be good enough to have a nice looking building. We're interested in what the internal management is like.

Elizabeth Heusler: Certainly a building that's got disruption, disharmony, bias, poor compliance, unlicensed tradespeople, that's to not going to have the same value. And there was a story in the Herald there was a woman bought into a property in Kellyville, and she looked at all the compliance certificates and they were signed off by someone called Muzza.

Amanda Farmer: Right.

Elizabeth Heusler: I mean, it's quite a sad story because what she bought into is not what she assumed and what she hoped it would be. But she was a young woman and she did all her compliance and checked all the certificates of the building and the certificates and who they were signed off by and check too. They were signed off by, and of course, they were not the correct licensed people that they should have been signed off by. I think old school, thinks they can get away with things because in the old days, you could get away with things, but it's a new world now people do compliance, do due diligence. And there are younger people involved in strata committees, bright professional people in strata committees. It's used to be sort of a couple of retired people who didn't have anything to do did their best, but that's all changed. Property is a big investment now and you've got very savvy people on committees that understand brand. They understand compliance, they understand design and architecture.

Amanda Farmer: And those are the committees and the buildings that are thriving. Well, thank you so much, Elizabeth, for sharing your insights with us today, please do, let us know if there's anything you want to add before we wrap up. And where can our listeners go to connect with and find out more about you?

Elizabeth Heusler: They can very easily find me on my website or Facebook or Twitter or LinkedIn, or you can pick up the phone and call me 24/7.

Amanda Farmer: And we will make sure we have links to all of those avenues to contact you Elizabeth in the show notes to this episode. Thank you very much for sharing your expertise here with us today. Lots of juicy ideas there for our strata managers to get stuck into and start improving their reputations. I'm looking forward to seeing the results guys. Thanks so much, Elizabeth.

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Elizabeth Heusler: It's a pleasure chatting with you today.

Amanda Farmer: Thank you for listening to your Strata Property, the podcast, which consistently delivers to property owners, reliable and accurate information about their strata property. You can access all the information below this episode by the show notes at www.yourstrataproperty.com.au. You can also ask questions in the comments section, which Amanda will answer in her upcoming episodes. How can Amanda help you today?