

# Ebony Hill Ranch

## *There Was a Place*

by P. R. Gerber

*Once upon a time, there was an enlightened settlement nestled in a swampy forrest at the base majestic Ebony Hill. This is the story of how it was conceived, grew and prospered, yet ultimately succumbed to apathy and the song of the marketing Sirens. It's a story that illustrates how an enterprise created by a shared vision decays when management is abdicated to surrogates with a different vision. Any similarities to real places and people reside in the mind of the reader.*

Our story begins with a couple young bucks, still wet behind ears, given the task of turning several parcels of remote, marginal land into a marketable development. Corporate expectations were undoubtedly low. With a team of talented people, a clean sheet of paper and unencumbered by overly restrictive land use laws, the two set out to design a unique family oriented, recreation and residential community.

Whether inspired by an enlighten vision or just dumb luck, they rejected the established development formats with structured grids and homesites aligned in an orderly fashion. Besides, the terrain given them wasn't suitable for these formats. Instead, they laid out a few primary roads that meandered around the property dodging trees and rocky outcroppings. Branching off these roads, numerous cul-de-sac and loops provided access to the building sites. Common areas were designated and lots with building sites were plotted with the goal of a sense of generosity and privacy.

In another break with tradition, recreation and common facilities were distributed around the property rather than concentrating them in a central location. But perhaps their most brilliant design feature was not what they included, but what they excluded. They envisioned a community, not a city. So, commercial activities were limited to basic amenities needed to support a family oriented, recreation and residential community. Recognizing the need for access to more extensive commercial activities, they turned their attention to a struggling little town just down the road - but that's another story.

Their timing and marketing plan worked, now all they had to do was manage it. Fortunately they had a good master design to address most issues arising between homeowners and the management company. Perhaps the most significant document was only one paragraph long - The Mission Statement. This document concisely defined the ranch's purpose and objectives and served as a litmus test for board actions. Life was beautiful and they lived happily ever after...or not.

The development company had accomplished their financial objectives and running a ranch operating company wasn't part of their plan. They had two options, sell the management company's assets to another company or sell them to the homeowners association. For the homeowners, this was a unique opportunity. They could obtain total control over all the land and assets that was Ebony Hills Ranch.

After a little arm wrestling, a deal was struck and the collective homeowners through their association acquired the operating company's land and assets. The Master Design was amended to reflect the new ownership relationship and a general manager was hired to manage the ranch as the board director's designated representative. The homeowners now controlled their own destiny and their beloved ranch would live forever.

This unique opportunity to totally control their community's destiny had a few not so subtle strings attached. The homeowners now became directly responsible for all financial obligations relating to the operation and maintenance of the entire ranch. Through their association board, they also assumed ultimate responsibility for the activities and policies of the ranch manager and his hired employees. This placed a huge responsibility squarely on the shoulders of the association board of directors.

In the corporate world, a board of directors represents the shareholders and is charged with providing a positive return for them, that is, make a profit. However, the homeowners association board represents the homeowners and is charged with maintaining and enhancing a high quality, family oriented, recreation and residential community, preserved in its naturalness with limited commercial activities and necessary regulations to preserve safety, tranquility and future value for its owners, their families and guests. Returning a profit is not their primary objective. Technically, all ranch activities are subsidized by the homeowners through their dues, assessments and loan repayments. Any "profits" generated by ranch activities only reduce the amount of the subsidy required to support those activities.

This created a tempting opportunity to aggressively pursue profitable activities to reduce the financial burden on homeowners. Unfortunately, too much emphasis was placed on the profit potential and not on the risk potential. Ranch management was only measured on their financial results, the risk of their activities diminishing, much less enhancing, homeowners' enjoyment of the ranch was not considered. Should an activity lose money, no problem just increase the subsidy or target a different market instead of homeowners. Who needs a mission statement?

Slowly, Ebony Hill Ranch began to evolve - not by plan, but by neglecting its history and underlying values. Homeowners began to resent paying for the expanding management empire while receiving fewer services for themselves. They were paying the bills, but were being treated like second class citizens. High dues and fees were starting to adversely affect home sales and thus their home values. It was too easy to blame ranch management for this situation. They were just looking out for their self interest. They did not have any vested interest in the health of

the ranch beyond keeping the doors open. Their focus and future was beyond the ranch gates not within the gates. After all, employees worked for the ranch management, not the homeowners. These were dark times at Ebony Hill Ranch.

Alas, all good fairy tales should have a happy ending, and this is no exception. You see, Ebony Hill Ranch Association's board of directors became enlightened. They actually read and studied the Ranch's Master Design and Mission Statement. They realized their primary responsibility was to homeowners, not ranch management. They took a critical look at what services were being offered and for whom. They analyzed the health of the ranch's infrastructure and natural resources and set priorities to correct deficiencies. They educated management on the ranch's history and mission then set meaningful goals for the ranch manager. Finally, they actually measured results - not just financial - and held management accountable.

As a result of the energized board's actions, homeowners now received the services their dues were supporting, the ranch restaurants began offering meals pleasing to the palate rather than the manager's ego, employees started working as a team focused on the customer and actually enjoyed their jobs. Finally, the new management team understood and embraced the Ranch Mission Statement. Once again Ebony Hill Ranch was truly a Special Place. The End.

**Don't you just love a happy ending!**