

Leading by Example

An Interview with Dave Liniger, Chairman and Co-Founder, RE/MAX

EDITORS' NOTE Dave Liniger is Chairman of RE/MAX, the Denver-based global real estate franchise that he co-founded with his wife, Gail, in 1973. He retired from the CEO position in 2018. In 2017, Liniger co-founded Motto Mortgage, a franchise organization focused on the mortgage industry. It is a wholly owned subsidiary of RE/MAX LLC, and in the first two years, Motto Mortgage has sold over 100 franchises. In October 2013, RE/MAX did its initial public offering,



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listed on the New York Stock Exchange as RMAX. The Liniger Family continues to be, by far, the largest shareholder in the organization. Liniger served in the United States Air Force for five years, serving in Vietnam, Thailand, Texas and Arizona. His final military assignment was at the ROTC detachment at Arizona State University in Tempe, Arizona. During his military service, he became interested in real estate after successfully buying and selling properties to supplement his income. Upon leaving the USAF, he worked in residential real estate for a year, then moved to the Denver area to start his real estate career in Colorado. As a highly respected industry expert, Liniger has spoken to over 3 million people in over 30 countries. He has been featured in Entrepreneur, Forbes, Fortune, Inc., Success and other leading publications and media outlets across the globe. In 2010, he was included in Bloomberg Business Week's profiles of the 50 Most Powerful People in Real Estate, and in 2011, he was named the Inman News "People's Choice" Most Influential Real Estate Leader. He has also received the Warren Bennis Award for Leadership Excellence from the Global Institute for Leadership Development. Liniger is a serial entrepreneur, having owned many businesses – travel agencies, home building, oil drilling/exploration, NASCAR racetrack owner, NASCAR race team owner, motorcycle and gun shops, and Arabian Horse breeding. Liniger has set a tone of philanthropy since the early days of RE/MAX. Since 1992, RE/MAX has been the official real estate sponsor of Children's Miracle Network Hospitals. In 2002, Liniger co-founded a Denver-area conservation center, The Wildlife Experience, dedicated to fostering appreciation and understanding of wildlife, its conservation and the many forms of wildlife art. He and his wife, Gail, also own the acclaimed Sanctuary

Golf Course in Sedalia, Colorado. Devoted primarily to charity golf tournaments, the private course has raised more than \$100 million for hundreds of organizations since opening in 1997. In 2011, he and Gail accepted the Children's Miracle Network Hospitals Founder's Award on behalf of the RE/MAX network, which has now raised more than \$156 million for local children's hospitals. Liniger has served on the Board of Directors of The Wildlife Experience and the Denver Museum of Nature and Science and

has been elected as a Lifetime Trustee of the Denver Chapter of the Boy Scouts. He has spent his life participating in adventure sports – he has logged over 3,000 scuba dives, has hunted, camped and photographed around the world on over 100 trips, is a multi-engine commercial jet type-rated pilot, is an avid golfer, and personally raced in several NASCAR divisions for over 10 years. In 1998, he attempted to fly a helium balloon into outer space and around the world. Liniger spent much of 2012 recovering from a life-threatening MRSA infection in his spine. After months in a coma and multiple surgeries, he spent six months paralyzed in a spinal cord rehabilitation center and eventually regained his ability to function. He wrote a New York Times' bestseller describing the experience – My Next Step.

COMPANY BRIEF As one of the leading global real estate franchisors, RE/MAX, LLC (remax.com) is a subsidiary of RE/MAX Holdings with more than 140,000 agents in almost 9,000 offices and a presence in more than 110 countries and territories. Nobody in the world sells more real estate than RE/MAX, as measured by residential transaction sides. RE/MAX was founded with an innovative, entrepreneurial culture affording its agents and franchisees the flexibility to operate their businesses with great independence. RE/MAX agents have lived, worked and served in their local communities for decades, raising millions of dollars every year for Children's Miracle Network Hospitals® and other charities.

What was your vision for creating RE/MAX and how do you define its mission?

Real estate is a difficult business to get started in. Fifty years ago, when we launched

RE/MAX, our concept was unheard of. No one had successfully offered a 100 percent commission to agents. There are so many components involved in starting a business, especially a real estate company from the ground up, from contracts and contract law, to making presentations, finding and recruiting customers, and much more. At the time, traditional brokerages split commissions 50/50, so if you had a listing agent and a listing company, they would each get 25 percent of the total commission. The selling agent got 25 percent as well. So the successful realtors started to think, "Why am I only getting a small percentage when I'm doing most of the work?" Many of these started their own mom and pop shops to allow them to net more. We created a "Rent-a-Desk" model for them to be part of. Our goal at RE/MAX has always been to help realtors and ensure the top producing agents got higher commissions.

From the outset, we had the latest and greatest management tools. We offered exclusive training programs, teaching realtors how to grow their business. We allowed agents to set their own commission rates, determine their own advertising budgets, and so on. We encouraged agents to promote themselves as individuals, not just the company as a whole. All of this was unique and controversial at the time, but it quickly caught on and became extremely successful.

What have been the keys to RE/MAX's strength and leadership for five decades?

I would narrow it down to two key factors. First of all, the quality of personnel. We have outstanding leadership at the company, and we hire successful, experienced agents. Because of that, we have avoided the problems that come with hiring part-time agents, including a huge percentage of turnover.

The second factor is adaptability. Many people have misrepresented Darwin's theory saying "the strongest survive." In fact, that's not what he said. He said, "The most adaptable species survive," which is why dinosaurs went extinct, yet the mosquito is still here.

So many changes have occurred in the real estate industry since RE/MAX was founded. We have survived nine presidential administrations, eight recessions, the savings and loan crisis, a global pandemic, and so much more. For any company or organization to stand the test of time, adaptability is absolutely crucial.

You place a major emphasis on talent and investing in RE/MAX's people. What are the characteristics you look for in the hiring process?

I mentioned that the vast majority of people we hire at RE/MAX were already successful agents, so they were ready to make the transition to a company like ours. We look for people who are serious about their business and have excellent and established reputations in their communities. Once you have an established reputation, customers come to you. When realtors provide outstanding service, they end up getting a lot of referrals, which is the best way to grow a business.

How critical has it been for RE/MAX to build a diverse and inclusive workforce to mirror the diversity of the communities it serves?

Diversity, equity, and inclusion has been a top priority and extremely critical in our success as a company. I'm proud to say that we have been an industry trailblazer in that regard. In the 1960s, the real estate industry was just a bunch of old, white men. Sadly, the largest real estate companies at the time would only hire women or people of color as receptionists, so there was very little in the way of diversity and inclusion.

When we started, we had 21 agents. Our second year, we doubled that to 42, and doubled it again the third year to 84. The fourth year, we had 134. By our fifth year, we had 289 agents and were the #1 real estate company in the state. At the 5-year mark, 70 percent of our sales force was comprised of women and people of color. It was groundbreaking – and served as a cultural shift. Shortly thereafter, those other companies started hiring women.

What do you see as RE/MAX's responsibility to be engaged in its communities and to be a force for good in society?

Early on in our success, we came to an important realization in the way we marketed ourselves. Rather than touting \$1 billion in sales to prove our success, we decided to talk about the 33,000 families we helped in the various communities in which we served. These were our neighbors, our families, and friends. We went to the same churches and synagogues, our kids went to school together. It was an earth-shattering moment for us, and it changed our thinking drastically from the dollar amount to the lives we've been able to touch.

The fact is, people want to work with organizations that are concerned with their own community. For over 25 years, RE/MAX has been a proud supporter of the Children's Miracle Network, a nonprofit that raises funds for children's hospitals, providing support to more than 10 million children each year. But we also encourage our people to join organizations that make a difference to them. Don't do it because it looks good on a resume, but because it's something you genuinely believe in. People gravitate to people who are making a difference.

You suffered a life-threatening infection in 2012. Where did you find the resilience to overcome this health battle and how did this experience impact your life?

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I woke up in the middle of the night to discover I was paralyzed from the waist down. The doctors told me I had MRSA (a staph infection called methicillin-resistant *Staphylococcus aureus*) and it had become so septic I should never have survived. At one point, I flatlined, was revived by CPR and spent four months in a coma. When I came out of the coma, I was sent to a spinal cord and brain injury rehab center. I was a quadriplegic, and the doctor said I would never walk again.

I had this attitude that I was not going to quit, and would never give up. I was determined to recover. So I told my nurse and therapist to push me harder than they had ever pushed anyone before and that's what they did. It was one of the most painful and difficult things I have ever gone through, but I got through it because I was persistent.

How did your time serving in the military impact your management style?

Like many kids joining the military, I was very immature at the time, and that turned around quickly. While serving my country, I learned to accept responsibility for who I was. The military taught me confidence and provided role models of real-life heroes. I idolized the combat pilots and soldiers. Jim Rohn says we are the average of the five people we spend the most time with, and so I simply emulated the admirable qualities of the leaders I was surrounded with. So, the military absolutely impacted my management style, and has had a great impact on my entire life.

What do you feel are the keys to effective leadership?

The first key to effective leadership is leading by example. What you say is not

as important as what you do – people will emulate what a leader does. If you want your employees showing up early, you need to show up early. If you want them to dress a certain way, you need to dress a certain way. If you want them to speak a certain way, you need to speak a certain way. Set the example, and others will follow.

Secondly, I've come to the realization that all great leaders have one common attribute: they sell hope. From Jesus Christ to Dr. Martin Luther King Jr. to President Obama, and countless others in between, they all had a message of hope. With RE/MAX, I didn't always plan everything out, but I was always selling hope. Real estate agents looking to make a better living for their families saw that they could get 85-90 percent of their commission at RE/MAX. We cast a vision of more independence. How? We sold hope.

What advice do you offer to young people interested in building a career in real estate?

Building a successful career in real estate is a much tougher job as a beginner than they imagine. You must have financial staying power. You need to have enough money to get through the dry spells and start getting commissions. The other thing to keep in mind is that most closings take four to eight weeks, so the money doesn't always come overnight. Education, especially continuing education, is important. You can get a real estate license, but that doesn't teach you anything about how to be a successful salesperson. There are a lot of nuances to the art of selling, so when you choose a company, you want to work for the best company you can find – one with a formal training program that will help you learn and grow. I encourage realtors to invest in hiring a coach – it's incredibly important to keep learning and sharpening your skills. All the best professionals in their field have coaches. Muhammed Ali gave a third of his earnings to his coaches, because he knew how important they were to his success.

You have achieved much in your business career and have received many awards. Do you enjoy the process and take moments to celebrate the wins?

A lot of people look at my success and say, “You must be a workaholic.” There was a period of time where I was doing a 30-city speaking tour in 45 days or was out on the road recruiting many more days and nights than I was home with my family. There's always a give and take, especially while you're building your future. It can be tough for realtors to rest because they feel they always have to be on call. But because of the nature of the job, it's also possible to take time for rest or vacation when you need it. I've found that planning ahead is the key to balance. Most people plan a two-week vacation better than they plan their life and career. You can simply plan to get more rest, take a vacation, attend a conference, and so on. That is how I make sure I take the time to celebrate – I put it on my calendar. ●