

# EO NASHVILLE

## Prospective Member Guidelines

These prospective member qualification guidelines are designed to better define EO Nashville's membership minimum requirements. Each year, membership is asked to make decisions on potential members in "non standard" industries or situations. Our goal is to provide some clarity on how we will address these situations.

### WHAT IS A "NON-STANDARD" MEMBER?

A "NON-STANDARD" member is one that simply does not fall within the normal membership guidelines. For instance, does a contractor, who sells one home for \$1 million qualify? Does a franchise owner face the same challenges as a company founder? Does a second generation owner have the same experiences to share?

POTENTIAL "NON-STANDARD" MEMBERS	
Construction	Second Generation
Real Estate	Franchise Owners
Financial Services	

#### "STANDARD MEMBER" QUALIFICATIONS

1. \$1 Million in Revenue (commissions or net billing)
2. Founder or co-founder of business
3. Responsible for making payroll
4. Cannot Be Fired

#### "NON-STANDARD MEMBER" QUALIFICATIONS

##### 3 OF 5 TO QUALIFY

1. \$5MM Revenue
2. \$500K net profit
3. 5+ FTE employees
4. 3 years of consecutive growth
5. Unique business to our chapter

In addition to the qualifications above, the following special cases will require some additional questions:

#### FINANCIAL SERVICES & INSURANCE

- The first thing that must be understood is that all financial advisors must be under the umbrella of a larger firm. This is necessary because they must clear transactions through a registered clearinghouse. So, an affiliation with Raymond James does not necessarily mean that they are a franchise or a branch.
1. Are you an employee of the firm you represent? Sounds obvious but many firms, such as Merrill Lynch and Edward Jones actually pay the advisors and their staff. If they are paid a salary by another firm, they do not qualify.
  2. Do you pay the full salaries of your employees? Similar to question #1 above; some firms will actually supplement or pay the salaries of an agent's support staff. Unless the firm has full responsibility for payroll, they do not qualify.
  3. Are you responsible for paying the office lease and other expenses of running the business? Again, some companies subsidize the office space and expenses of running the advisory. Unless the firm is responsible for full payment of their office space and expenses, they do not qualify. A situation where the advisor's lease payment and/or expenses are deducted from revenues would not qualify.
  4. Can you change your brokerage affiliation without having to start a new company? An independent advisor can change their clearinghouse at any time. A situation where the advisors business cannot be separated from the affiliated brokerage would not qualify.
  5. Management fees and commissions total more than \$1 Million. This is not money under management or transactions.

#### FAMILY-OWNED BUSINESS

1. Are you responsible for day-to day operations?
2. Are you responsible for making payroll?
3. Were you required to put up your own capital to acquire your stake in the business?

#### REAL ESTATE

1. Are you the owner of a stand-alone agency (i.e. Village Real Estate)?
2. If not stand-alone, have you purchased exclusive marketing rights for a region?