

## The Eyes Have It!

**SEEING IS BELIEVING.** No matter how good the selling market might be, a community's success ultimately relies on the quality of the sales agents. **Video Profiles** from LeBlanc & Associates capture your agent's entire sales presentation through the eyes of the buyer.

**TRAINING.** Eliminate the doubt. Use a **Video Profile** from LeBlanc & Associates of your best agent(s) to demonstrate what you expect from the rest of the team. What better way can an agent learn than from the best of their peers? LeBlanc & Associates can provide a self-evaluation guide to reinforce the training aspect of the program.

**TECHNICALLY SPEAKING.** All work is done in-house so we have direct control over the entire process. We also offer our clients options including processed or non-processed formats, and VHS tapes or CD ROMS. **QUALITY.** LeBlanc & Associates has established credentials as the premiere sales agent evaluation company in the industry. We have one expertise...new home sales. Fast food restaurants, banks and car dealerships are not our game. We have the best agent capture rate around. Our people are personally trained to focus on the agent. We realize you know what your models look like! **Have you have tried the rest and found ill prepared field personnel? Have you seen more walls than agents? Do ceiling shots make you dizzy?**

**THEN BE PREPARED FOR THE BEST. GIVE US A CALL!**

LeBlanc & Associates **800.838.1779**

## Beyond the Brochure

Do your buyers **see** the dream?  
Andiamo will show them.

Do your buyers **feel** the dream?  
Andiamo will touch them.

Do your buyers **experience** the dream?  
Andiamo will transport them.



Visual media content for your buyers' dreams.

■ Visual Tours ■ Community Promotion ■ Testimonials

*Andiamo . . . Let's Go!*

**760.476.0122**

[www.andiamoav.com](http://www.andiamoav.com)

MAKING DREAMS COME TO LIFE

### To e-mail or not to e-mail . . . That is the question

You can receive *The Home Front* by e-mail as a PDF file. You will enjoy the same graphics and layout as the printed version and you can more easily share your copy with other staff and sales agents! Please contact me at [Mary@mleblanc.com](mailto:Mary@mleblanc.com) if you would prefer *The Home Front* by e-mail and don't forget to include your name, company, city and state! You can also visit my website ([www.mleblanc.com](http://www.mleblanc.com)) to obtain previous editions of *The Home Front*.

## The Home Front

LEBLANC & ASSOCIATES

5055 AVENIDA ENCINAS, SUITE 230

CARLSBAD, CA 92008

## LEBLANC & ASSOCIATES

AUDIO PERFORMANCE EVALUATIONS

VIDEO PROFILES

ACTIVE ADULT COMMUNITIES

TELEPHONE EVALUATIONS

COMPETITIVE PROJECT REPORTS

EXIT SURVEYS

800.838.1779

FAX 760.438.1154

EMAIL [mary@mleblanc.com](mailto:mary@mleblanc.com)

VISIT OUR WEBSITE AT [www.mleblanc.com](http://www.mleblanc.com)

*The Home Front*

IS A PUBLICATION OF LEBLANC & ASSOCIATES

*Serving You, The Nation's Builder Community*

# The Home Front

LEBLANC & ASSOCIATES

ISSUE 33 • FALL 2005

## The Front Porch

Recently while addressing a sales team, some agents expressed frustration about the high cancellation rate they have been experiencing. The agents wanted to know how to minimize this problem. Cancellations can blindsides you. You never really know the true reason why buyer's remorse sets in. However, while all cancellations cannot be avoided, some cancellations are preventable.

Sales rates have been fast and furious the past several years. There has been more of a release date race vs. actual selling of product and community. The sound of beating feet is not quite as loud as it once was. Now that there aren't 500 people as a backup to the next phase release, agents never really know how strong that pending list of buyers really is. What was sold and fell out of escrow is no longer guaranteed an immediate back-up buyer.

As such, a good ratio of our sales is what could be classified as a deferred sale. One way to avoid or minimize cancellations is to conduct a truly effective discovery process. Few agents ask what other communities their prospective buyers are considering. Nor do they determine if the buyers are considering resale. Without this information, agents never really know what they are selling against. For first time buyers, a resale offers the advantages of having landscaping and window coverings until they can catch their financial breath. For move-up buyers, a resale could also be advantageous for a more immediate move-in.

A major reason for cancellations is that agents defer their sale to the lender. Agents do not take the time to determine if their prospective buyer is comfortable with their new monthly outlay. It is easy to say 'I can buy a \$400,000 home.' Most buyers have heard about all the magical loan programs out there . . . interest only, fixed adjustable, no money down, etc. So when agents defer the sale to their lender, the loan agent qualifies on one of these magical loans and makes the deal happen. What is forgotten in the mix is that the lender is in business to make commissions. They need to fund



Mary LeBlanc, President  
LEBLANC & ASSOCIATES

loans. So if they do enough to get the underwriter to sign off, the deal is done. Then when the buyer goes home and starts to read through the numbers and think it through, they realize that the total monthly outlay is more than what they can or want to do! No life beyond the house is not an option for many people.

One suggestion is to take the time to do the math with a serious buyer. Have the buyers confirm they are comfortable with their total monthly outlay – not just the P&I. Remember the old sales adage – *people buy with emotion and then justify with reason*. Over the last several years, the *reason* part of the equation has disappeared. Or as an old roofer once said – *they educated the common sense right out of you*. Hmmm.

Deferred sales don't help anyone. Making the weekly sales count at your sales meetings is pressure for any agent. But when those cancellation ratios start to increase and you do not have any answers, that will raise more eyebrows. The market is still strong. However, agents must do their job and make every effort to minimize buyer's remorse. Whether agents are dealing with a first time buyer or move-up buyer who wants bigger, better, jazzier, etc., they must conduct a reality check. Sales agents are not financial counselors and are paid to sell homes. However, they must insure they don't allow other people, places and things to control their sales. ♥

## Industry Recognition – Just Ego Strokes or Good Business?

By Patrice R. Hall, CSP  
D. R. Horton, Los Angeles, CA

I have been lucky to receive some wonderful sales awards from an industry that has been good to me. Sometimes colleagues at other builders mention that their corporate culture does not encourage industry recognition. How sad for them.

Selling in the country's most competitive market, I have come to know some outstanding sales professionals. I am saddened that some of their managers do not think enough of them to allow / encourage the rest of the industry to recognize the same excellence that is obvious to competitors and customers.

Most markets are still determined by whose land pipeline is strong. As the market tempers, many builders are so risk-averse that they won't close on large numbers of lots. They prefer rolling options, even if they may eventually pay "retail." Land sellers decision factors are: price, closing date, *likelihood of performance*, etc.

In many cases, sellers (and lenders) ask for information, even biographies, of the sales team. They have a vested interest in knowing if the rolling option will ever be realized and if the option-buyer will close on subsequent take-downs. The success of the sales team is a critical part of the velocity of sales

*Continued on page two*

### Inside This Issue

The Front Porch	1
Industry Recognition	1
Model Merchandising 301	2
Age-Targeted Sales	3
Kudos Korner	3
Andiamo	4
The Eyes Have It	4

## Model Merchandising 301 – The Sales Office

*This is the third in the series of articles designed to maximize performance by skillful use of models. Some of the concepts are a challenge to model designers. This series is focused on the builder's advantage measured in sales. Copies of the earlier articles are available from the author or in **The Home Front** archives, editions 20 and 21.*

As merchant builders, we have sometimes adopted habits of sales office merchandising without always even understanding the point of having a site-based sales office. A sales office is NOT a forum to dispense information to customers. Sales offices should be a place to DISCOVER information.

Prior to establishing the sales office environment, we must acknowledge a critical truth: those who visit a sales office today are highly qualified. They are, by definition, qualified as to **LOCATION**. (They are here.) **PRODUCT**. (They can see what we are building and they are parking the car to learn more.) **BUILDER**. (If they would never buy a home from us, they wouldn't even darken our doorstep.) **PRICE**. (Our community sign likely gives base prices.) And, most importantly, they are qualified as to **TIME**. (They are here now.)

So far, they have qualified five ways to INCLUDE us. Our task is to maximize the benefit of their decision to visit our sales office and models. We start at the sales office, like our customers.

### **Aerial map? YES.**

Ideally, the aerial map should be "first right." Sales training is vital so that the sales team can use the map to discover the experience, local knowledge and propensity to buy of a new visitor. The aerial map totally misses the point when it is a "look down / shoot down" view of the construction site. It does nothing to show warmth, comfort, value or security.

### **Topo table? YES.**

Topo table should be sized, designed and placed to EXTRACT information and not to "info dump." They must be rectangular or square. They cannot be placed against a wall unless no other solution is available. They should be at a height that encourages customers and sales crews to comfortably lean on them while bonding and building rapport. Forty-two inches is usually effective. There can never be an excuse for "salting" the board. Sales, reservations and availables should be accurately portrayed. However, NOTHING that is not currently released should be seen on the topo table. Thus, the community map / plan

must have removable phase covers that allow the sales team to add more to the released-and-available homes.

Topo tables should be positioned to interrupt the flow of customer traffic between the entry and the models themselves. Topo tables should NEVER be used to store or display brochures, HUD plaques, purchase agreements, etc. Clutter is non-productive!

### **Photographs? YES.**

People like to see people. Customers do like to be part of a team. Shea Homes' approach of naming floor plans after staff members is a particularly strong way of making the point that we build thousands of houses annually...but we craft them individually, for individual buyers, one HOME at a time.

No buyer wants to buy a "2838", or anything similarly depersonalizing. Pictures of the architect and even other homeowners give a "homey" presentation. If our communities reflect America's diversity, it's wonderful to show pictures of our community's members.

### **Testimonials from customers – not industry sources? YES.**

Thank you letters from customers, Realtors, etc. are much more valuable than a copy of this weekend's ad in the local daily newspaper. Devote more sales office space to selling the confidence you already have in hand, or even, in escrow, rather than starting from scratch with those who are here for the first time today.

However, if we have some sort of Realtor registration program, a plaque describing it should be easily visible in the sales gallery. Customers and agents are both uncomfortable already. Let's set the ground rules early, clearly, visibly... and for all.

Thank you letters from the local Realtors add credibility. They show that you are broker-friendly (if you do broker co-op).

### **Letters ensuring service? YES.**

If we have a preferred relationship, or an ABA, or a wholly owned lender, we should be proud of them and not shirk from them. No matter to whom we suggest our buyers take their home loan business, we had better do so based on merit and nothing else. A letter from the CEO of the lender is a strong message to buyers. Buyers are understandably cynical that we make these recommendations based on issues other than good service to our customers.

*Continued on page three*

## Industry Recognition . . .

*Continued from page one*

and the likelihood / time for future takedowns of lots. If the lot seller and the construction lender are interested in sales skills, I hope the sales professionals' managers are, too.

There is NO downside to recognition of the sales team. Sales professionals respond to recognition. A company that recognizes its team members, and publicly celebrates their victories, is one that salespeople gravitate to. Recognition aids recruiting...and sets a standard of excellence for those interested!

Whether the ownership is a mega-public like my own, or an ad hoc group of investors, they certainly recognize the credibility AND VALUE of great sales people. They take comfort in knowing that the team members dealing with the buyers are outstanding. (After all, sales are the *only* source of REVENUE we have. All the rest of our efforts are OVERHEAD.)

If builders are competing for land, it is advantageous to show industry recognition for sales teams, who compete for success every single day they are on site. They can convince a land seller that the homes will be sold faster-better-stronger with THIS sales team vs. the others'.

Dave Stone says sales professionals "work for **MORE**...Money, Opportunity, Recognition and Ego drive." Sales managers who do not use all motivators are missing a bet. If sales professionals used one close on every prospect, they would be less successful. Similarly, managers who do not use EVERY motivator for their team are getting less performance from them. Recognition goes a long way.

I am fortunate that my builder encourages industry recognition of my colleagues and me. I wish ALL my competitors had the same respect for their sales teams.

---

*Patrice Hall, CSP, is lead sales executive with D. R. Horton / Western Pacific Series in Los Angeles / Antelope Valley. She has claimed industry recognition for superior performance including the 2004 NAHB Sales Professional of the Year for the States of California, Hawaii and Nevada. She has been recognized for her excellence in new homes from first time buyer to trophy homes. She was also substantially responsible for the WPH Design Studio being judged by NAHB among the top 9 design studios in the nation, and the premier center in CA, NV and HI, before completing its first fiscal year of operation in 2003. Patrice's award-winning sales ideas have been published in professional journals including Builder Magazine. ♥*

## Age Targeted Sales . . . by Roger S. Anderson, Principal, Anderson Marketing

If you are selling at an age targeted, age restricted or age qualified community, how are you sharpening your selling skills to deal with this well-informed homebuyer segment? Are you upgrading your presentation to deal with this sophisticated boomer buyer? Are you selling single-story homes? Then you too are dealing with this huge segment of the market, since 85% of the 55+ market segment do not want to live in an active adult or age targeted community.

Do you treat the following market segments differently?

- Active adult.
- Pre-retiree.
- Empty-nester.
- Second-home buyer.
- Retiree.

The answer is – of course not – but you may ask different questions especially with the retiree. A normal selling process may include the following, but not necessarily in this order:

Greet and register, provide a brochure, *information sheet* and price sheet, pre-qualify. The information sheet should include number of homes, size of home sites, tax rate and amount of Mello Roos per year, HOA dues, and the location of shopping, hospitals, restaurants and transportation. Set yourself apart from your competitors by asking the right questions and developing rapport. Then LISTEN.

Demonstrate the first model then ask questions and qualify. Develop a certain amount of trust by exceeding their expectations using full disclosure and providing information that others have not, because your competitor did not ask the right questions. Then LISTEN.

By being friendly and helpful, earn the right to have the prospect sit down in your office to go over financing. Then LISTEN.

It is possible in the current strong market to accomplish all of the above in one day even if you are selling at an active adult community. In reality, it may take 12 months and many more visits to accomplish a contract signing at an active adult community. Active adult shoppers are not indecisive, they are just careful.

When the home market is good, salespeople do not have to be good listeners to be successful. There are more buyers than homes available. Well this is about to change. You should set yourself apart from your competitors by asking the right questions and then using the

correct follow-up process.

By LISTENING to the prospects that have visited you already, you will develop the correct questions to ask:

How long do you plan to live in this home? How are you going to use each of the secondary bedrooms? How do you plan to use the kitchen? How many people will be living in the home? Do you have another home that you plan to keep as a rental or use as a summer or winter residence? Where do your children live? Or, where do your grandchildren live?

They want to know about restaurants (they may no longer cook), recreational vehicle storage facilities, concert venues, distance to airports and airport service. Where are the exercise facilities located?

Salespeople are the *most important people* in any homebuilder operation. Good ones are good listeners who will be successful in 2006 when a more challenging market returns.

*Anderson Marketing is a full service marketing company specializing in market studies, product recommendations, pricing, premiums and pro-formas, budgeting and coordination of all outside sales and marketing consultants for land owners, developers, and small, medium and large homebuilders in Riverside, San Bernardino, L.A., Orange and San Diego Counties. Roger can be reached at 951-315-9597 or . . . andersonmarketing@adelphia.net.*

## Merchandising . . . Continued from pg. two

Step up and deal head on with the fear issue. Sell the benefits of your lender.

*Next edition: Model Merchandising 302, Optional Components of a Sales Office.*

*Dave Harding is President of Ultimate New Homes Sales & Marketing based in Los Angeles. For over 20 years, his practice locations have included California, Washington, Arizona, Nevada and Canada. He has twice been acclaimed by Builder and Developer Magazine as one of Who's Who – The Industry's Finest, and is the 2004 NAHB Sales Manager of the Year. His articles have been published in The Journal of the Community Associations Institute, The Home Front, Builder and Developer Magazine and Master Builder Magazine. In 2004, he won the NAHB Design Center of the Year for the States of California, Nevada and Hawaii, prior to his Design Studio being open a full year. He is a frequent and popular instructor to the profession in the United States and Canada. He can be reached at dgb@unbs.com or 310. 463. 0454. ♥*

## Kudos Korner

*We found several strong agents this past quarter who demonstrated solid sales skills. Our Kudos to the following:*

### SHARON DUNN

*Richmond American Homes*

Sharon provided a superior sales presentation. Her confidence, genuine concern, combined with her extensive knowledge, enthusiasm and determination make her a super star.

### TERESA AGUIRRE

*Fieldstone Communities*

Teresa uses excellent inclusive language. Teresa listens well to determine her buyer's needs and then tailors her presentation accordingly.

### NICOLE BRAYBOY

*Fieldstone Communities*

Nicole's positive, energetic style is infectious. She creates a natural rapport allowing her to conduct a solid assessment and qualification of her buyer. Her use of benefit selling language painted a picture of an ideal community with beautiful homes.

### RADINKA ILSINK

*Fieldstone Communities*

Radinka is to be commended for a complete, logical, fluid and informative sales presentation. Presented with a 'be-back', Radinka did not assume that her buyer had all the necessary information regarding the homes and community. Radinka was in total control of the sales process.

### STEVEN FONG

*Pulte-Del Web*

Steven knows how to sell to the active adult buyer profile. He not only demonstrated his product, but encouraged his buyer to get involved in the homes. Steven used excellent trial closing questions and statements to obtain his buyer's purchase commitment.

### LAUNI COOPER

*Pulte-Del Web*

Launi also sells very well to the active adult buyer. She spends time getting to know her buyer. Launi also demonstrates pride in both her community and product showcasing the community lifestyle.

### PAULA NELSON

*Pulte-Del Web*

Paula exudes enthusiasm and excitement for her homes and community lifestyle. She maintains a fluid conversation throughout the encounter. She conducted a solid discovery process.

### KRISTINE CHILCOTE

*Roddel & Associates*

Kristine creates a strong first impression. She demonstrated good qualifying skills, strong product knowledge and smooth closing abilities.

*Congratulations to all for demonstrating excellence in sales!*