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**T**hat 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! Contact me at Mary@mleblanc.com if you would prefer to receive *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) to obtain previous editions of *The Home Front*. ♥



## The Front Porch

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*Serving You, The Nation's Builder Community*

# The Home Front

LEBLANC & ASSOCIATES

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## The Front Porch

**F**ences are defined as a barrier intended to prevent escape or intrusion or to mark a boundary. Fences surround us on a daily basis. We have fenced in yards. Model home complexes have 'traps' which are fences to control our prospective buyers. We have software 'fences' for our computers to ward off viruses and spam. We also have emotional fences to keep our perceived life's negatives at bay.

Given our current market conditions, our sales agents face the challenge of fences on a daily basis. Usually in the form of buyers sitting on them. Some of the best agents with solid selling skills are having difficulty motivating fence sitters towards making a purchase decision.

So why are buyers staying in their comfort zone of fence sitting? With all the negative news in our media about bad loans, the difficulty in getting a mortgage, etc., many buyers are choosing to wait and see how this will play out. They see increasing builder incentives that include price reductions, auctions, upgrades, interest rate buy downs, plasma TVs, cars, and the proverbial upgraded kitchen sink. Why not wait? This incentive show might just get better!

Clearly there are market jitters out there. While the upper tier of our economy is moving along with no apparent financial uncertainties, the middle and lower tiers don't have the same confidence level. The euphoria of built-in equity at point of purchase, flipping a home and all those instant wealth factors of the last several years, has for the most part disappeared. Additionally, many buyers can't sell their existing home and others are a bit uncertain about their paychecks.

Another factor is the increase in foreclosures. Heck, if I can move into a home that is only a couple of years old at a greatly reduced price, has many upgraded features, has full landscaping and window coverings, isn't that a better option? Some of those foreclosures might be in your own

community. Talk about selling against yourself! As you know well, agents need to know their competition. Right now, it is not just another new home community. Yes Toto, we are not in Kansas any more.

How can you get a better conversion rate? Many builders do not see much of a decrease in traffic, but traffic is not being converted to sales. Once the strength of agents' selling skills is assessed through the mystery shop process, look at your product. Is it price competitive? LeBlanc & Associates gets many requests for competitive shops. This entails finding out the 'bottom line' in terms of the negotiated deal. If you are price competitive, then you need to know if your community's visitors like your product.

In the end it primarily comes back to your sales team given all other factors are in place (good product, pricing, etc.). There is no silver bullet in this market. It still comes down to the basics ... **Who, What, Where, Why and How.** Once learning the buyer's needs and preferences, a must do for agents is to really probe into motivation and fears. **What** are the buyer's needs? **How** far into the home purchase process are they? Have they looked at a lot of homes? If so, **What** and **Where**? **Why** haven't they decided to purchase yet? From what they have seen, **Why** are they still looking? **What** is holding them back from making a purchase decision? Agents need to be armed with as much information as possible before they start a closing sequence. In today's market, agents can't quickly leap to asking for the sale until they know how to structure a personalized closing sequence. That includes overcoming the buyer's fear of commitment, whatever the concerns might be.

Agents need to develop the skill of convincing the hesitant buyer that now is the best time to buy. One week or one year from now is a question mark. No one knows where the market will be in terms of availability, interest rates, pricing, etc. Few



**Mary LeBlanc, President**  
LEBLANC & ASSOCIATES

experts have predicted anything correctly to date because no one has lived through all the intricacies of this type of market. For those of us who have been around a while, we have seen the cyclical nature of new home sales. But we are in a global market now and things are different. It wasn't that long ago that the experts stated housing prices would remain stable and there was no fear of a recession. Well, we know what happened to pricing. Some experts are hinting at the 'R' word. Hopefully they will be wrong again on this point.

So have your agents engage their serious prospects in real dialogue. All the basics of a sales presentation still apply. However, they need to probe into the buyer's fear of buying now. In short, your agents also need to get off the fence. They can't afford to wait this market out. Neither can you. ♥

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## Manny Schatz

**HF** Manny, when you are training I understand you speak of a very basic principle. Please share it with us...

**Manny Schatz:** An old friend of mine, Norm Milne, shared this with me ... "Always have your buyer's best interest at heart." Norm had a long and successful career in many different industries, including a stint as sales trainer with a national appliance manufacturer.

**HF:** How do you suggest this very basic premise will help our sales forces in today's marketplace?

**MS:** If you approach every sales situation with the buyer's best interest at heart, your buyer will know it and will respond accordingly.

Norm's example had to do with the salesperson being told by his company that they had trainloads of appliances that needed to be "moved." If this salesperson approached the client and convinced them of the great deal at hand and sold them a trainload of appliances this would seem as though the he had done a great service both for the company as well as for the store. However, if the product sold to the store was not compatible with their prospects buying needs, and this product languished in the store's inventory, in reality a gross disservice was done by selling the store something they could not move quickly and profitably.

If on the other hand, the salesperson informed the store of the opportunity at hand, however, had reservations about the stores ability to sell this product in a timely manner and make a reasonable profit, the store would have appreciated this approach and considered it accordingly. This would be having the customer's best interest at heart, not the immediate need of a sale today, or your company's need of selling regardless of the consequences.

**HF:** This sounds simple enough. Doesn't everyone already do this?

**MS:** When I share this story during training, everyone's first reaction is "I do that already." Here's the real kicker... you

might believe you are doing this; however, quite often this message is lost in our eagerness to sell. We lose track of the prospects real needs and focus on our need to sell something today. We don't focus on what truly is important or critical for our prospects to consider before they become our buyers.

**HF:** How can we apply this example to the home building industry?

**MS:** Numerous ways! Challenge yourself each day to have the prospect / buyers best interest at heart. Think of your personal examples, applicable to your specific sales situation ... how can you approach each situation with the other's best interest at heart? If you truly want to be a better closer you need to put your buyer's best interests first. When you sincerely apply this idea to your sales approach, I assure you that it will be noticed. Your buyers will appreciate your efforts and reward you with the sale.

There is strong value in these very basic words. This attitude will guide you to sell with more empathy for your buyers, improve your sales style, and achieve greater sales success for you and your builder.

Manny Schatz, principal of Professional Builder Services, Inc., holds a general contractors license, a broker's license and MIRM certification. Manny was an associate of The Stone Institute and worked with the late Dave Stone. For further information, contact Manny Schatz at (925) 837-1937. ♥

| Medium                     | More Influence | More Influence | Less Influence |
|----------------------------|----------------|----------------|----------------|
| Television                 | X              |                |                |
| Radio                      |                |                | X              |
| MP3, iPods, etc.           | X              |                |                |
| Newspaper                  |                |                | X              |
| Outdoor Advertising        |                | X              |                |
| Magazines                  |                | X              |                |
| Direct Mail                |                |                | X              |
| Specialty Media, All Types | X              |                |                |

## Your Marketing Dollars

In today's market, builders must spend their shrinking marketing dollars on the most cost effective means to advertise their product. The information below was provided by TeamBuilder-JLS. It might be food for thought for your marketing program:

Zenith Optimedia recently reported that despite challenge, television advertising will grow in 2008 to a 38.2% global media market share. This is up from 37.9% in 2007 and will be an all-time high.

On a related note, media guru Jim Kite states that exposure - - the usual measure of advertising effectiveness - - isn't so important anymore. What is the new measure? *Captivation*. Kite states "Captivation is essential to media effectiveness as it leads to changes in behaviors, both emotional and physical, and elicits intent, the important missing link that escalates awareness to sales."

There are a lot of studies we looked at to try to ascertain where people are spending their time, from a media point of view. The following is our summary - - taken from a number of sources, on media influence now versus a decade ago. ♥

## Kudos Korner

Kudos to the following agents from both our Video and Audio evaluation series. All demonstrated excellence in their chosen profession.

### BILL MISURA Tim Lewis Communities

Bill scored a perfect 100%! He demonstrated excitement and created value in his homes. His presentation was thorough and straightforward which included a complete assessment of his buyer's needs, timing, family profile and home site requirements. Bill listens to his buyer. Additional kudos to Bill for contacting me to state his appreciation of the mystery shop process. Bill is a true sales professional.

### CHRIS BLASIC Capital Pacific Homes

With a near perfect score, Chris demonstrated excellent product knowledge and an ability to establish solid rapport with his prospective buyer. Chris focused on meeting his buyer's needs and addressed any concerns honestly and thoroughly.

### DIANNE WHIPPLE Shapell Homes

Dianne is personable, establishes rapport and gathers essential information about her buyer. She did a fantastic job creating uniqueness in her community and product. Having laid the proper foundation for the sale, Dianne skillfully attempted to secure a deposit on the home.

### CHERYL TEXEIRA Shapell Homes

Cheryl is another sales professional who shows enthusiasm about her product and creates value in her homes. She demonstrated a solid presentation and scored 100% in the areas of Community Presentation, Objections/Concerns, and Closing and Overall Sales Presentation.

### MICHELLE GOODMAN IntraCorp

Michelle has made the Kudos Korner before but she consistently demonstrates excellence in sales. Facing a very competitive downtown condo market, Michelle presents her product in an exemplary manner. Her sales presentation is delivered in a friendly, detailed and knowledgeable manner and she is not afraid to ask for the sale.

### TIFFANY ARMSTRONG Tim Lewis Communities

Tiffany's enthusiasm for her product shone throughout the encounter. She quickly creates a comfortable rapport with her potential buyer and therefore she is able to thoroughly assess her buyer's needs, family profile and other essential qualifying information. Based on her buyer's needs, Tiffany narrowed down a plan and available home site for her buyer to consider.

### LINDA NELSON Capital Pacific Homes

Linda had made this column before. Being a true sales professional, Linda continues to demonstrate her ability to create the sale and then ask for it.

### CLAUDIA MULBERG Shapell Homes

Claudia provides her prospective buyers her undivided attention. She creates great rapport and therefore conducts a solid assessment of her buyer's needs as well as determining what other communities her buyer had visited.

## LEBLANC & ASSOCIATES

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## News from Bill Hurme of TeamBuilder – JLS

While overall new home sales has experienced a slow down, not all regions have experienced some of the serious downturns you read about in the media. I thought a regional perspective might be informative for our readers.

If you would like to submit a brief summary about your regional market, please send it to me to share with other people in our industry. ([Mary@mleblanc.com](mailto:Mary@mleblanc.com)). Perhaps some other insight other than the Armageddon news we constantly read about might provide some readers a welcome light at the end of the tunnel.

Below we have a snippet of news from Bill Hurme of TeamBuilder –JLS in Washington State. Bill's article is from his newsletter on 10/01/07:

*Lots and lots and lots of emails from people about my comments last week that the market might be rebounding a bit from the summer (modest) slump. Jim Kriens from the Lake Tapps area says prices are down 10% and Lake Tapps waterfront prices are down 15%. Michael Lorenz from Quadrant believes that tighter lending requirements shut out part of the lower end of the market, but that high wage earners are still buying homes. A number of people commented that land and lot prices are still the culprit as to the median price of homes continuing upward, not to mention higher construction costs. A few people did comment that lot prices were softening, however, especially in Snohomish and Pierce counties. And some people just said, 'Where Did You Make Your Sales? We Didn't.'*

*Bill Hurme is President of TeamBuilder JLS, LLC, based in Bellevue, Washington. TeamBuilder is a sales and marketing company that is currently onsite at 25 communities in the greater Puget Sound region, Yakima, Washington and Portland, Oregon.*