



# NAHB Building Business Briefs

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## Tech Talk: Managing Prospects and Buyers

By Bill Allen

*(This is the fifth article in the nine-part Tech Talk series.)* The concept of customer relationship management (CRM) systems implies connectivity between the Web, a builder's internal systems, and the sales operation. The ultimate dream is a seamless, perpetual management system that enables the customer to participate in the home building process from across the street or across the world, and enables the builder to provide the best product with a glitch-free closing. There's technology available to do that, but the following principles haven't changed:

- **A buyer makes a decision based on emotion**, and backs it up with facts. No amount of automation can substitute for the human interaction that facilitates the most major of buying decisions. E-mail can't communicate body language, emotional tone, or eye contact, and it can't facilitate a real-time discussion. Prospects still want to feel as if they are special, so it's important to treat them that way. Take their calls and meet with them in person, even if it's inconvenient for you.
- **Buyers want choices.** Technology is probably most effective for this aspect of the sales process. A good Web site lets a builder explain the product and process in a way that makes prospects feel like they are already part of the team. The same Web site can display myriad product choices and let buyers indicate their preferences online. Before you put that information online, make sure you have good systems in place to coordinate selections, options, upgrades, and the like.

When it comes to managing prospects and buyers, the more integration between the processes mentioned above and your customer database, the better. Most sales office software products have features that handle the "contract to closing" process, but they don't connect with construction scheduling or cost analysis functions.

Whether you're evaluating integrated software systems or want to fine-tune the way you currently manage prospects and buyers, follow the steps below to make your front- and back-office operations work more efficiently.

- **Plot your CRM path.** Lay out the critical path of customer communications, decisions, actions, etc., as carefully as you plot your construction schedules. Identify the different

customer processes for homes built to customers' orders on bare lots and the processes for spec or inventory homes. After you've documented your CRM paths, see what you can do to improve them.

- **Stay in contact.** Is the sales agent responsible for ushering the customers and their job through the various production phases, or do you turn them over to your contract administration, selections, or customer service department? In a smaller organization, the job may be handed over to the project manager after it's sold.

Make sure you explain the process to your customers beforehand and maintain communication with them throughout production. Many builders give customers private portals on their company Web sites so they can monitor their jobs online. It's one way to manage expectations and keep the project going smoothly.

- **Cut cycle time.** Coordinating your production processes with your CRM path (for example, determine the latest date customers can pick out lighting without compromising the production schedule) helps decrease cycle time between prospect visits, lot selection, loan approval, final selections, and other buyer-related processes.
- **Find out why you didn't make the cut.** Solicit feedback from prospects who didn't buy from you. Find out what they are looking for and why they didn't choose your company.

Web sites provide a good opportunity for people to provide information anonymously. They may not feel comfortable telling you in person or on the phone that your entries lack punch or that your salespeople are too hard-sell. Use the information to fine-tune product development, communication systems, and other functions.

*Bill Allen is a member of NAHB's Business Management & Information Technology Committee and is president of W.A. Allen Consulting (<http://waallenconsulting.com>). The Redmond, Wash., company provides information technology consulting services and process management assistance to the home building industry. Contact Bill at 425-885-4489 or via e-mail at [skagit@foxinternet.net](mailto:skagit@foxinternet.net).*

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