

It's All About Attitude

Having the Mindset & Taking the Actions to Succeed BY WILLIAM N. WEBB

It has been reliably reported that a national home builder operating in Florida recently fired its division marketing officer and its sales director so they could keep four building superintendents on the payroll. This for a company presently building no new homes, but rather working off excess inventory.

If the marketing and sales leaders were unsatisfactory performers, I'd be angry and disappointed that they let their company down. But if they were released just so the building company could keep guys around they felt more comfortable with, I'd really be mad. This would be a case of incompetent division leadership.

The idea that the Market is the Market, and there's nothing anybody can do to make it better is just poppycock. The reality is that people are out there shopping for new homes. Smart, energetic home builders are selling homes and making money right now. How are they doing it? Here are several reasons that seem to run through the individual circumstances I've encountered recently in my management consulting practice.

Attitude

Negativity is a self-fulfilling prophesy. It has to go. Successful home building companies today are fired up about having fun and making money. They have shed excess costs, improved internal systems and renewed their devotion to satisfying customers. They've dispensed with the idea that buyers are liars with unreasonable expectations about quality. They've gotten over their anger about receiving low-ball offers. Instead, they've gotten positive about going after the strongest money-making position there is in home building: "Buy from us and we've got your back".

Satisfaction

Companies who are relentless in their efforts to make their customers happy find that their new focus on satisfying buyers is the best generator of additional sales there can be. Positive word-of-mouth advertising is the strongest advertising of all. Expand that into a positive news feature about good things happening in your local housing market, and you've got a sales-builder for sure.

Reassurance

For most consumers, the psychological effect of an uncertain economy is more paralyzing than the reality warrants. Home builders who can say that now is the best time ever to buy a new home, and mean it, are ahead of the game. The true winners will be those who make the further effort to assemble a set of tools to help their customers sell their present houses and qualify for attractive financing. Back that up with the assurance of happiness, and you've got a winning combination.

Timing

Consumers who are focused on buying at the bottom of the market will miss it by definition. A more rational strategy is to estimate the probability that the local market will decline even further and by how much as opposed to the probability that the bottom has already been reached and the market is strengthening. I can tell you that the recovery is already underway in the companies I work with. We are looking for land right now that fits the growth strategies we put together last year. Now is when savvy home builders build market share for future profits.

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Teamwork

We face an insidious challenge in the home building business. The guys and gals who build the homes sometimes think the guys and gals who market and sell them are weird. For all sorts of reasons, some of them real, the two camps tug at one another and create friction. It gets worse. Customers who are praised in sales meetings are sometimes cursed in production meetings. It's really sad.

Nobody would field an NFL team of players with exactly the same skill set, would they? Get busy and fix this wherever you may find it, OK?

Training

In a shattering experience one afternoon about a year ago, I watched a prospective client of mine turn to the Dark Side and refuse to invest in training for his sales staff. It wasn't lack of money; it was lack of belief that competent, motivated salespersons could make a difference. This gentleman sat in one of the most opulent offices I've ever seen and

presided over the subsequent demise of his company. All for lack of belief.

Did I Mention Attitude?

You see, it IS all about attitude. Markets are nothing more than collections of individual transactions. If you believe you can affect your destiny and then do reasonable things to help that happen, you will succeed. In the process, you may discover that the business of home building is not about building homes. It is about building homes that can be sold for a profit. Only selling homes generates revenue. Everything else the company does produces value in exchange for cost. Without converting that value into revenue, the company dies. How dare they fire that marketing officer and sales director? ■

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