



Home Address

Building Better Service

Re-Think Unfriendly Policies

Negative experiences have conditioned many in the home building industry to dread meetings involving third parties. In fact, most purchase agreements stipulate that only individuals named on that agreement are permitted to attend meetings. Enforcing this clause too eagerly offends customers and can start them wondering what the company has to hide. With trust a major issue in today's consumer world, re-thinking this approach is a good idea.

Third (fourth and fifth) parties almost always make meetings longer because of extra conversations. Third parties may reinforce unrealistic expectations or unreasonable demands. They can have hidden agendas or be outright hostile because of experiences they have had with another builder.

Wanting to avoid such drama is understandable but an unfriendly tone that leads to suspicion is unnecessary. Begin instead with some prevention techniques.

Prevention

To reduce the likelihood of third parties attending meetings in a subtle manner, when setting the meeting appointment you can mention that a great deal of information will be covered—they'll gain the greatest benefit if you can have their undivided attention. This detail can also be included in your homeowner guide as one of the preparation tips for every meeting.

Distinguish in your policy planning between home buyers who simply want to show off the new home they are buying and those who are nervous or lack confidence in their own understanding of the process. Manage the former group by reminding buyers that the model home is available to show to friends (especially those in the market for a new home!). Or you might offer to set an appointment to go through the buyers' actual new home with friends separately from any formal meeting—and accompanied by a staff member.

If you are sensing nervous or worried buyers, let them know third parties are welcome at meetings provided you know in advance—explain that this allows appropriate adjustments to schedules (and in some cases copies of paperwork, and supply of refreshments).

Ensure that you conduct each routine customer meeting in a businesslike manner, on time and according to a [written agenda](#). Accustomed to this tone, your purchasers are likely to approach the meetings with the same attitude. Substantive information and effective follow up can build trust with buyers, eliminating their need to bring reinforcements.

Responding

Even though you've taken these preventive steps, some purchasers will arrive with extra people. No, you cannot tell them to wait in the car. Recognize that extra people at purchasers' meetings can sometimes be helpful. A third party may act as interpreter when a language barrier exists. Third parties can also reassure nervous purchasers that things are progressing normally. Keep in mind that this extra person is likely to be someone the home buyers trust. By winning this individual's confidence, you indirectly build trust with your buyers.

Rather than assume the worst, think of third parties as an opportunity to make a good impression and can become another potential source of referrals. Welcome the third person courteously and include him or her in the conversation. Show respect and courtesy for the purchasers' guest. Your goal is to turn the third party into a supporter—he or she may need a new home.

Keep in mind that your standards and procedures remain the same. Follow them. You do not have a second edition of the homeowner guide with higher standards or more flexible policies especially for third parties. Respectful explanations that show your procedures and standards are subject to common sense, but not open to negotiation may gain the support you need.

Enforce the contract clause only with fanatics. With sound practices and good communication, you will not need to do that often. 🙏

Second Owners

Speaking of friendly policies...take a look at how you respond to second owners.

Roughly fifty percent of US home builders provide a limited warranty that terminates upon sale of the home. This strikes many resale purchasers (and the real estate agents involved in the transaction) as illogical, unfair, and self-serving. The builder can appear to be side-stepping legitimate obligations on a technicality—and a judge will be only too happy to point that out if the homeowner pursues issues.

The most frequent builder explanation for this draconian position is that “We did not have an opportunity to set expectations with this stranger and so there’s no hope of a peaceful relationship.” Those who understand [the connection between referrals and satisfaction with warranty service](#) just shake their heads at this short-sighted thinking.

Aligning expectations is easier with second owners because they have already bought the home—the “I’m not closing unless...” threat has been eliminated. Besides, these homeowners may have friends who are in the market for a new home. It is also worth noting that all warranty insurance policies are transferrable to subsequent owners. In all cases where the limited warranty remains in effect, the standards for evaluating items remain the same.

When a second (third or fourth) owner of one of your homes contacts the warranty office for information or with warranty requests, take the new homeowners’ names, phone numbers, email addresses, and ask whether they received the homeowner guide from the original homeowner.

Then offer to meet with them and set an appointment. Prepare for this meeting by reviewing the file, paying particular attention to items previously denied and the explanations given. Gather copies of appropriate documents to provide to the new homeowners. This would minimally include emergency information and the applicable edition of the homeowner guide if the original homeowners forgot to pass theirs along. You might also provide selection details as a courtesy.

Listen to what the new homeowners have to say and inspect any items they want to report. Make fair decisions and agree to appropriate repairs if any are needed. Explain the repair process, if applicable, and estimate the time frames involved. Stand behind your product just as you would have for the original purchaser.

At the same time you have no obligation to provide maintenance repairs promised by previous homeowners or any real estate agent involved in the transaction.

If you determine that you have no obligation while the new homeowner insists the seller or their real estate agent promised repairs would be provided under warranty, suggest that the new homeowner contact the previous homeowner or real estate agent who made the erroneous

commitment. Take the approach that because he/she “inadvertently created a misunderstanding”, they may “feel an obligation to make things right.” Follow up with a confirming letter with copies to any trades who might be involved in repairs.

Sound like a lot of work? It can be. But the repairs—if any—are work you would likely have been doing in any case if the home had not changed hands. Think of the work of getting to know the new homeowner as marketing, which is exactly what it is.

The Book Shelf



Dozens of books deal with the challenges of change. Some are quite useful, offering sound insights and practical techniques. **Switch** by Chip Heath & Dan Heath (copyright 2010, 305 pages) cuts right to the heart of the matter with an easy to apply 3-step approach that makes incredible sense for business, social, or personal change.

Focusing on the *Rider*, the *Elephant*, and the *Path*, these authors distill change to its purest elements and demonstrate how working with all three of these can produce desired results.

The *Rider* is the intellectual aspect of change—understanding the potential rewards and methods of change, the strategy behind the new procedures and the step-by-step processes to apply them. Reports on customer feedback, rate of repeat and referral sales, and profitability appeal to the Rider.

The *Elephant* is the emotional aspect of change—motivation, commitment, and energy. The Elephant provides the power and fuel for change and responds most readily to visual or dramatic images of the results of the desired change. No charts and graphs here, please! *Make the new goal real*. For instance, nothing motivates trades to improve service quite like listening to a panel discussion where actual homeowners talk about their reactions to warranty service they’ve experienced.

The *Path* is the environment—reminders, support, answers to questions along the way. Managing the Path if you want to reach your target weight might include eliminating the Oreos from the cupboard. If you are dealing with a customer service process, revising paperwork so it supports the new method simplifies the needed changes—it acts as a point of reference at the same time it conveniently fits the new practice. For example, if you decide to begin all home tours at the street, list topics in that order on your meeting agendas. Planning and motivating without changing the Path (environment) leads to disappointment. All three elements must be taken into account to be successful.

These authors address challenges to change head on. You may recognize their description of what happens when the Rider is permitted to overanalyze a situation—decisions somehow never get made. On the other hand, too many change initiatives at one time drain the Elephant’s energy and progress stops as confusion takes over.

Similarly, too big of a change overwhelms as well. To deal with this, break large changes into chunks. Facing a major clean up such as getting your kids to clean up their rooms? Instead of tackling the entire project at once, try a “5-Minute Room Rescue” approach as described on page 130. Dealing with “not invented here” resistance? Follow the “bright spots” as outlined in Chapter 2.

Suggestions for responding to these and many other obstacles are included in this enjoyable and useful book. If change is part of your daily life, **Switch** will provide understanding as well as the tools for progress. (Amazon: hard copy, \$15.92; Kindle, \$11.99) .