

**INSIDE:** CANCEL CRAZY: ORDERS JUST AIN'T WHAT THEY USED TO BE.  
SAN DIEGO SLAMMED AS INVENTORY ECLIPSES DEMAND, FOR NOW.

OUR SPECIAL  
REPORT ON  
DESIGN CENTERS

# Big Builder

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hanley wood

## Handle With Care

Get a grip on design centers' evolving critical customer care role in a buyers' market.

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# COURT AND SPARK

**Big builders' design centers are only as good as the people who staff them, wooing and wowing customers with a softer, subtler pitch.**

**F**ace it, builders until recently have owned the driver's seat in the home buying market. Customers lined up to buy new homes, and builders raced to try to meet demand. Builders wanted to turn over as many sets of front door keys as fast as possible instead of focusing on other priorities, such as finding ways to boost revenue on each home and ensuring customer satisfaction. In the design center, this meant consultants often served as little more than order-takers, without design center training.

Those days are gone. As the climate has shifted dramatically to a buyers' market as standing inventories swell in more and

more areas, builders are pursuing every means possible to protect their gross margins on every home and compete for customers on a more individualized basis, says Artisan Design Group president Jaimi Julian Thompson, who has been in the industry for 18 years.

Builders "realize it's a profit center and a way to compensate for the sale of fewer homes," Thompson says.

Jane Meagher, president of Success Strategies, a design center consulting company in New Jersey, has also seen a more intense focus on design centers as the building market tightens and the industry highlights customer satisfaction.

"The design studio investment is a wise one that will quickly pay for itself in many ways," Meagher asserts.

"The design center represents a unique opportunity for builders to capture additional revenue and profits from the existing home buyer," Meagher says. Just as easily though, amid escalating cancellations and more, discriminating customers, design centers may quickly become a sales strategy liability if sales and operations teams don't learn to make critical adjustments.

Kerry Davis, vice president of design and training at the Calif.-based Bridgeway Media Group, which operates the Design Center Solutions and Training Spaces companies, works with builders and flooring contractors to provide design center staff training. As the market has slowed

BY SARA MICHAEL

down, Davis says she has seen an increase in interest from builders in both altering their approach to the design center, and in investing more to ensure that their design center staff is better trained for a more challenged selling environment.

#### CLARIFY GOALS

One of the first and most important steps in implementing a design center training program is to determine which one specifically fits a company's culture and business model, says Davis. The program should address the company's skill gaps, be cost effective, be easy to deliver, and engage participants, she says.



"The best way for builders to choose the appropriate training approach is to really sit down and analyze what they need," Davis says. "It isn't one size fits all."

For Sally Hayden, who manages the design studio for Shea Homes' Colorado Division, boosting the design center training was a way to set expectations and ensure consistency across the entire processes. "Any time a home buyer feels they are getting a different answer or someone else is questioning that answer, then doubt enters their minds," Hayden says. "They want to know they are getting the right information."

As a remedy, Hayden queues up a CD and DVD for buyers to help manage their expectations to a level that Shea can exceed, and plays a video continuously in the design center, reinforcing a message aimed at putting the buyer at ease. She also makes sure the sales and operations staffs attend identical training sessions as the design staff.

Bridgeway Media's design consultant training builds off two basic approaches, with each tiered to varying experience levels of the design center associates involved. An online introductory program segment aims to get new consultants up and running. Second, face-to-face training workshops motivate and provide more refined continuing education to veteran consultants and managers. The online training focuses on skills, such as



communicating, conducting a profitable appointment, understanding design fundamentals, and tackling product knowledge and the in-person training drills.

It's not surprising that although the training sessions involve finite amounts of time, the necessary commitment is 365 days a year. "What's really important is that you have an ongoing training program," Davis says. "It's not a one-time deal."

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—Jane Meagher, Success Strategies

#### RULES OF ENGAGEMENT

The problem with most design center training programs is that they tend to focus on technical support for design consultants, sales, or installation and construction issues, each in their own silo of information. However, whether the training is online, face-to-face, or a combination of the two, experts and builders agree it's crucial to engage the entire staff.

"Everyone knows what's going on in the design center," says Randy Sebastian, president of Lake Oswego, Ore.-based Renaissance Homes. "It's all very integrated."

Renaissance Homes has had an in-house design center since 1997, and over the years, they have seen the importance of increased training for design consultants. When the center first opened its doors, the

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—Jalini Julian Thompson, Artisan Design Group

first consultant had no sales training, but now many of the consultants have a sales background. And more important, the entire company is involved in all aspects from sales to construction to accounting to administration, Sebastian says.

Meagher says she also supports the notion of involving the entire team, and her on-site training programs do just that. The

instruction starts out with a short program attended by each component of the builder's team. Then, the group narrows down to the sales and design staff, and then further narrows down to just the design team for more intensive training.

"This way everyone is using the same language," Meagher says. This training is often the first time the entire company has received any specific training to the design studio, she says, as well as the first time for the design staff.

#### MANAGE EXPECTATIONS

The success or failure of design center appointments orbits around buyers' expectations, experts say, leaving it up to the builder to fully prepare the buyer for the experience.

"You want to set expectations of what is going to happen, so you can exceed your customer's expectations," Davis says. "If [builders] don't set expectations, they will never satisfy that customer because the customer will set their own."

One way to do this starts with the sales staff, who can give the buyer pre-appointment materials outlining how the design center process will work, Davis says. Through a brochure, the Web site, photos, or a CD, buyers can get a feel for what decisions they will make, browse products, and often a general idea of price ranges so they can budget.

Scott Harrison, design studio manager for Shea Homes, North Carolina, says the Web site takes a much more prominent role in the design center experience. After a training session with Meagher, Harrison and his staff saw the need to get the site out to customers early in the process. As soon as they sign the contract, they are eligible to sign in online using a neighborhood-specific pass code, and browse the thousands of items available.

Another way to start early is to offer an onsite preview of the design center, Meagher says, allowing buyers to get comfortable with the design studio environment and meet the studio staff. In fact, many builders schedule a pre-appointment on an evening or weekend where buyers can informally join other buyers to walk through the studio and ask consultants questions.

As managers make these procedural changes, experts agreed there are a few key skills that should be included when training the design staff.

## PEOPLE FOCUS

The designer can control what products are being sold. But often the consultant is tired or rushed, and he or she can wind up pushing the wrong products, Davis says. This is a disservice to the client, and consultants must use the proper people skills to know what the buyer needs and wants. Demonstration of these skills starts the moment a buyer walks in the door, she says, and helps build a trusting relationship between buyer and consultant, she says.

"We talk about how important that first meeting is with your home buyer, how you greet them, shaking hands, smiling, having positive body language, listening skills, eye contact," Davis explains.

Once greeted, the consultant takes the time to sit down and get to know their clients, genuinely making them feel that there's a commitment to making their experience a positive one. Davis calls this the "get-to-know-you session," which often involves a lifestyle questionnaire.

Harrison also decided that his design staff should take more time for each buyer, implementing a two-appointment procedure, rather than packing it all into one session. Faster isn't always better, he says. At the end of the day, the more time they spend with customers, the more comfortable they are and the more money they spend.

"Already we have seen a change," he says. "Our customers seem to be more happy and relaxed, and [the design staff] have more time and make less errors on the paperwork."

Design consultants should also know the best way to educate the customer, says Thompson. It is important to persuade a buyer to upgrade on a selection hinges or know the specific attributes of the product and how they tie to a customer's expressed needs. A sales advisor or design consultant must be able to do more than throw out a list of features, Davis says, and be sure to show the benefit to the client.

Kellee Hansen, design studio manager for Centex Homes' Las Vegas division, says they initiated training to allow the staff to serve less as a sales representative, and more as an educator. Strong product knowledge enhances the buyer's comfort

level, and buyers feel like they are working with highly trained professionals, she says. Her division previously relied on vendor training, but she wanted to develop more consistency and raise the expectations of the design center.

Finally, the consultant should understand the value of making the proper choices up front, says Thompson, and communicate that to buyers who might not see

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the benefit of upgrading now rather than later. Often buyers can finance these upgrades in with the price of the home, and the consultant should be able to explain these financial options, Thompson says.

"The designer has to have a firm grasp of the financial implication of the values they are offering and how it factors into the decision," she says.

## NO MEANS 'POSSIBLY'

This product knowledge will also come in handy when overcoming buyer objections, Davis says. "Home buyers will object to one product or another, and many times they have not seen the value in going to the next level," she says. Often when buyers say they can't afford it now, they plan to

make changes later or they have a family member in the business that can help them get a better deal.

Davis uses role-playing to teach how to overcome these situations. The consultant must first understand buyers' concerns, ask them why they are objecting, and be sure to listen and respond without being defensive. She calls it the "feel-felt-found" method, where the consultant first says, "I understand what you are feeling," then validates the concern with "others have felt the same way," and follow up with their findings, saying "Here is some of the data we have found."

Home buying often thrusts new buyers into a strange, surreal environment with new rules that can be stressful and overwhelming, experts say. The buyer may ask the same questions over and over, or become frustrated, Davis says, and consultants must then remember the importance of being patient. "You have to put a smile on your face and say, 'Absolutely, let's go back and look into this,'" she says.

For Donna Sanders, vice president of options at Pardee Homes, consultants should keep in mind that although they may be dealing with several buyers a day, this is often the most important purchase in a buyer's life, and each one should feel special. Consultants should also have a sense of humor, she says.

"You are with the buyer for three or four hours, and it's really intense, and you want it to be fun," she says. "A sense of humor is important for that." BB



**CONNECTIONS:** A trained design center staff member helps potential buyers with more than just color themes. Here, they are looking at different ways to put a complete room together, coordinating colors, fabrics, floors, and kitchen countertops.