

Actual emails (w/permission from Scott Baughman)

From: scott baughman [mailto:sbaughman@premierhomesinc.com]
Sent: Friday, March 13, 2009 7:08 PM
To: Bob Schultz
Cc: Roland Nairnsey; Todd Paton; Peggy Burkett
Subject: RE: Update

Bob –

Thanks for the encouraging words. As always, this helps me to re-focus my efforts and energize me to try and accomplish even more in my new home sales career. You, Roland, Peggy, and the entire team at NHS have all played a major role in the success that I have been able to achieve.

As for your question about conversion ratios it is hard for me to say what happened before I arrived at Premier Homes. I did not really have access to any data so I am not sure what the ratio was. As for what it is in our markets currently they are both similar. The actual number is anywhere from about 1:4 to 1:7 on average for both Colorado Springs and Pueblo.

What I have found is that when we follow the NHS process we make more sales than when we try to wing it. An example that I shared with Roland on Tuesday when I spoke with him briefly was the power of simply asking the question “Is this the type of home that you would like to own?” I personally made four sales last weekend here in Pueblo and I attribute all four of them to following the NHS process. I asked all four buyers that question. None of the buyers had really committed to buy until I actually asked that question. When they responded with a yes – even if it was a tentative yes – I simply said “Great! Do you have any questions before we go and look at the paperwork?” Three of them said “We aren’t ready to buy yet!” I simply responded with “No, I understand – I just wanted to review the paperwork with you because that is the next step in the process and if you have questions, I want to make sure that I get them answered for you to your satisfaction.” I then reviewed the paperwork with them and asked the question again “Is this the home that you would like to own?” Three of the four hesitated and I said “With our preferred lender the deposit to secure the home is just \$1.00 and I can even front the dollar if you prefer. As you can see, we really have taken all of the risk out of making the decision to choose to acquire a new Premier Home.” We moved forward. What was really great is that the lady that we have hired as an assistant / sales person in training for Pueblo got to hear me do all three of my presentations and heard me ask the question and follow the process. She now has tangible proof that it works.

I certainly think that by following the process and asking the right questions it has meant increased sales possibilities for our company. This certainly provides a better return on the marketing dollars that we spend to get prospective buyers to come and see what we have to offer. By taking a few simple steps – essentially what I mean is by being prepared when we actually get face to face with a buyer – it definitely provides us a better ROI on the marketing dollars that we invest to generate prospects. The way it really hits close to home for sales people is when they do their own self prospecting and a prospective buyer shows up because of work that that sales person has done – individually – to generate their own traffic the ROI is priceless. They get empowered to know that they can do it. Not only can they do it but they discover that they are not dependent on what we do as a company to generate traffic. They can do it independent of us. The best part is – for the sales person – is that it can be duplicated. Not only duplicated randomly but it can be duplicated on demand so to speak. That is a great feeling for the sales person and the sales manager to know that they have reached that level.

I didn’t mean to be so long winded in my answer and I hope that I actually answered your question.

Thanks again for everything!

Scott

From: scott baughman [mailto:sbaughman@premierhomesinc.com]
Sent: Monday, February 23, 2009 11:05 AM
To: Roland Nairnsey
Cc: Bob Schultz; Todd Paton
Subject: Update

Roland –

Sorry that it took so long to get you this. Unfortunately I had internet connectivity issues all weekend with our network.

In what started off a challenging year for Premier and other home builders we seem to be on pace to sell about 8 per month – net – in the first quarter. We have written close to 12 per month but we seem to be experiencing about 4 per month in fall out. In many cases the 4 fall out sales are not even officially reported. Most of the fall out is due to an inability to get approved for a home mortgage. Not because of a lack of mortgage money – that seems to be plentiful – but more because of credit issues with the buyers. The banks have and continue to tighten the credit requirements for getting a home loan.

I attribute our success to the following factors:

1. A builder (Company Owner) who understands the realities of the market and has priced our available inventory in line with what the market dictates that we should be priced at.
2. Locations that buyers find desirable. In Colorado Springs we are located on the North Side in a great location at the intersection of two main roads. On the South Side we are in a community that is located close to Ft. Carson where troops are constantly cycling through and we get our share of them as buyers. Then, there is our town home community that is located more in the center – close to Peterson AFB and Ft. Carson – and priced from the \$120's now – very reasonable for buyers. In Pueblo we have the town covered. No builder has more locations than we do with a more diverse product range.
3. Product that buyers like. From unique town homes that include both a garage and a small private fenced in back yard to single family homes with large open rooms and the willingness to make small changes (personalization not customization) buyers like our homes. This also helps make our job in sales easier.
4. A mortgage company that continues to provide service above and beyond to our buyers and – by extension – to us as a seller. When they give a “green light” – usually on the same day as we write the agreement we know that there is a 99% chance that the transaction will close.
5. And finally, a sales process that works. A sales process that I learned from Bob Schultz and the New Home Specialists. Bob – you and Roland have shared everything from the basics of the process to very high level ‘mastery’ skills I have worked hard to first of all get it and understand it. Then, to share it with sales people that I have worked with in such a way that they get it and benefit from it. Using this information I helped the first builder group that I worked with in Georgia go from a virtual start up to sales of close to 600 homes per year – in 4 short years. The second builder I worked with doubled sales from close to 750 to almost 1500 in one year (2005). Here at Premier Homes sales have increased over 300% in the three full years that I have been here using the New Home Specialist systems. As a side note 300% - I think – would be a great accomplishment in any market but when you consider the kind of market that we have been in for 2006, 2007, and 2008 it is remarkable. The process (and the ability to teach, coach, and train sales people on how to implement it) while not successful 100% of the time – and what is – works more of the time than anything else I have ever tried. From the self prospecting techniques that sales people use to generate their own traffic to everything that they do with that traffic

(qualifying, model demo, available home demo, available home site demo, recap close, advantages of home ownership, secrets of mortgage finance, DISC knowledge, follow up when they buy, follow up when they don't buy, CAP, Cancellation Analysis, goal setting, handling objections, and so much more) once they have generated it helps us get more of the incremental sales that we may have missed if we didn't use the process.

I am looking forward to my next trip to Florida to refresh my skills in both sales and sales management. This will be my fourth trip to the sales management program and my third trip to the sales program. Even though I have been before – with each return trip I pick up some new idea – some new technique that gives me more insight on how to sell more new homes quicker for more money. I truly believe that the incremental sales that we make more than pays for the investment of the return trip.

Thanks again for everything! I will see you in June.

Scott Baughman
Sales and Marketing Director
Premier Homes