

DRIVE THEORY

FRESH FROM AN APPRENTICESHIP IN AUTO SALES,
A BUILDER SHARES LESSONS LEARNED



By Bob Schultz, Contributing Editor

It's often said that the auto industry provides a model that builders can learn from and emulate. Buyers visit dealerships to see cars and test drive them, just as homebuyers visit model centers to see homes and learn what it may be like to live in them. Both businesses are retail-focused. Most auto dealers are open seven days a week and are staffed to accommodate instant contact with customers. On average, auto buyers visit two dealerships before making a decision, but new-home buyers can look for up to six months or more and visit from three to 10 or more builders.

Sales have been expedited by shoppers doing online research, but homebuyers and car buyers still need to interact with a salesperson. A team process must be in place to complete the transaction, deliver the product, and meet customer expectations to generate referrals. Glen Trotta has more than two decades' senior executive experience with a national builder. Recently he took time to research parallels between auto and new-home sales, taking a job as a rookie auto salesperson with a large dealership. Fresh from that apprenticeship, he offers tales from the field, plus observations and takeaways, to which I've added from my own experience.



LESSON 1: DELIVER ON YOUR PROMISE

A well-known trial lawyer traveling 100 miles per day round-trip from work to home was purchasing a new car. To help seal the deal, the salesperson promised pickup and delivery of the car for regular service checks, as well as use of a loaner vehicle (useful perks for a busy litigator). But when the lawyer called the dealership for service, he was given the runaround by customer service. The salesperson was put in a tough spot. Instead of a chance to gain a referral, he had an angry customer. What's more, the so-called new car was a demo model with 9,000 miles on it. The dealer had to promise to certify the vehicle and provide an extended warranty.

THE TAKEAWAY

GLEN: This could have turned out better if it had started out right. Is your product accurately represented from the get-go? Do you make promises about service and then just deliver the minimum or do you exceed expectations? If it's the former, you'll lose referrals and business, and your brand's reputation will suffer.

BOB: Promise only what you know you can deliver, and strive to deliver a little bit more.

LESSON 2: FEEL THE PASSION

I was trying to find the right car in stock for a customer seeking a specific model and color, but got resistance from my team in trying to fill the order. The lease program wasn't competitive in price or terms and the vehicle wasn't available. Instead, I had to resort to a trade with another dealership. In such a competitive environment, lease programs that are equal to or better than the competition should be available. Managers were slow to react and didn't have a good relationship with the dealership from which we needed the trade. Instead of

negotiating a competitive lease program with the manufacturer and having product in stock for the sales team, leadership took a blinkered view. With no financing and inadequate supply, they missed a revenue opportunity.

THE TAKEAWAY

GLEN: Has your leadership team forgotten what it's like to work in an increasingly competitive environment? Have they lost the passion and empathy needed to support the sales team? Maybe they should spend time in the models to hear customer feedback firsthand. Leaders must have more passion than the team, or the company will miss its goals.

BOB: The best coaches and leaders never ask someone to do something that they haven't done or wouldn't do themselves.

LESSON 3: TAP THE POWER OF EMPATHY

On New Year's Eve, the dealership was scheduled to close at 6 p.m. At 4 p.m. I saw a potential buyer on crutches outside the showroom looking at vehicles. After a cordial greeting and some qualifying questions, I brought the customer into the showroom and showed cars that would meet her specifications. We test-drove the certified brand of the dealership, but it was beyond her budget and lacked the digital features she sought.

Though it was New Year's Eve and closing time was approaching, we went back into the showroom and looked online for used cars that had the right features and were within budget. After identifying a few, we drove to other showrooms owned by the dealership. We moved from car to car seeking just the right model. It was almost time to close; I was tired and impatient. I asked, "When will you be off your crutches—hopefully soon?" She shared that soon she'd be losing her leg to cancer. My challenges in finding the right vehicle for her seemed tiny. She also said that she owed \$8,000 more on her current vehicle than it was worth and that she had to complete the trade by year's end. I worked past 8 p.m., found the right car, financed the debt with help from a coworker, appraised her existing vehicle, accepted the trade-in, and sent the customer home in the car of her choice.

THE TAKEAWAY

GLEN: This meant more to me than selling a car: It was a reminder about helping others. Everyone has a story, and going the extra mile offers opportunities to learn more about your customer's needs. It can provide you with a loftier goal and fuel the passion you need to enjoy and excel at selling.

BOB: When efforts to persuade are more than 51 percent to the customer's benefit, selling is a service. Coupled with appropriate skills, closing occurs naturally. Although there are many similarities between auto and new-home sales, there are also significant differences. For consumers, a car is a commodity; it can be bought at any dealership or online, and price is paramount. For auto dealers, selling services is critical. In new-home sales, no two new homes are the same, and the difference that you as a builder offer—reputation, integrity, financial stability, location features, and unique features of each model—is critical. That said, it's still helpful to look outside our industry to learn about improving operations. **PB**

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