

Leading Edge

Homeowners don't have to be a nuisance—
if you seize the opportunity. By Rick Davis



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The next time homeowners walk into your showroom, rather than grumble under your breath, take a moment to consider that they may provide a powerful way to help you build relationships and enhance customer loyalty—with your builder clients. Many dealers believe that homeowners are merely nuisances that take time away from “normal” activities, but more of them should be thinking about how these “interruptions” may actually present unique sales opportunities: Each homeowner that comes into your store is a potential lead you can pass along to your customers, a value-added benefit that could give you additional leverage when it comes time for price negotiations.

Phil, an inside sales representative for a northwest Indiana roofing and siding dealer, views homeowners this way: “We believe that we are part of our customers’ sales team. When a homeowner walks into our showroom, we feel that we have to help that customer get

with a list of contractors who can offer an installation quote. The problem with this approach is the contractor may never realize that the recommendation came from you. Even worse, because you’ve lost control of the sales process, the contractor may end up buying from a competitor. This approach also could damage your existing relationships if the homeowner’s request results in a competitive bidding war among your valued installers.

If you stop to consider the total investment involved in handling a homeowner visit, you can certainly recognize the importance of capturing the homeowner’s attention and enthusiastic interest and, more importantly, controlling the sales process to that homeowner. In this more controlled sales approach, the salesperson obtains the homeowner’s information so that the lead can be carefully delegated to the appropriate contractor. If the homeowner asks for a list of contractors in the area,

answers or else our customer loses a sale.” What’s more, “When a homeowner is shopping for materials and has not yet selected a contractor, we consider this a great opportunity to drive the sale to one of our loyal contractor customers. You can’t imagine how happy our customers are to get these leads from us.”

Unfortunately, Phil’s perspective is not common in the industry. When I ask managers at most organizations what system they have in place for capturing homeowner leads for contractors, most state that they “leave that up to the salesmen” or that the showroom is a “tool for their customers to sell.” Rarely does a manager say that a structured system is in place to proactively capture leads.

When a homeowner enters a showroom, many sales reps will shove a pamphlet into their hands and point the way to a product display. But consider that your vendors (and your own organization) invest millions of dollars in various media sources to generate interest in your products and services. The investment that went into the potential cultivation of that single lead was essentially tossed in the trash.

In some cases, the sales representative provides the homeowner

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rather than supply a list of names and numbers, a deft Sales Leader will tell the homeowner, “We have a few that might be a good fit. It would be better

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if I get your information and contact them directly. This way I can ensure that they are available and, more important, that they will follow up with you in a timely fashion.”

When the salesperson provides the lead, a contractor will be extremely grateful (if they’re not, then you gave the lead to the wrong contractor). And, more important, a contractor that peri-

odically receives valuable sales leads from you will be far less likely to apply high pressure negotiating tactics and will more likely become or remain a happy and cooperative client. (How combative would you be with a vendor representative that was regularly providing profitable sales leads to you and your organization?) When handled properly, homeowners provide powerful leverage as you develop relationships with contractors.

It all begins with a systematic approach:

1. Change your mind-set.

When homeowners walk through the door, they are not “interruptions”; they are tremendous opportunities. Your objective should be to gather information, not give them brochures and

hurry them away. It’s good to provide product information and presentations, but not as good as it is to learn about the homeowner’s needs and reason for the visit. You should view homeowners as leads that will increase the profits for your accounts, thereby strengthening customer relationships.

2. Prepare a procedure.

Rather than wing it, try to have a procedure in place that gives you and your sales team the confidence to deal with homeowners in an efficient fashion. Create a form on which you can effectively document and track vital information that you can pass along to builders, remodelers, and contractors. The form should include basic information such as name, address, phone numbers, and project information.

3. Ask questions. It’s easy and tempting to talk about products because, after all, that’s why the homeowner walked through the door. While

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many salespeople are concerned that their questions will appear nosy and create tension, the reality is that customers relish the opportunity to talk about their favorite subject—their

5. Follow up. After you have provided the lead to a contractor, follow up within a few days to determine how well the sales call with the homeowner went. If you find that the con-

tractor is uninterested or unable to follow up, forward the lead to another contractor. If the contractor follows up, then thank him or her for the effort.

growth of their organization. Ask them about the success of their projects and the value of the leads you have provided. This subtly reminds contractors that you have provided them with profit sources and will give you leverage in future negotiations.

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tractors. Ask questions about their reason for visiting the showroom, the scope of their project, time frames, and the like.

4. Get—don’t give—information. Rather than give the homeowner names of contractors, obtain the homeowner’s information so that you can contact a hand-selected contractor directly with the lead, allowing you to truly promote the value of the service you’re providing.

6. Sell the value of the leads you provide. When you offer sales leads to your customers, you are providing a tremendously valuable service; you are putting dollars into their pockets and helping them to fuel the

If you really want to become a source of profits for your customers, you can’t hope that an incremental reduction in pricing will capture the business. Even if you are successful, you must still deal with the fact that you’ve had to reduce your margins in order to achieve a sale. Instead, focus on relationship-building techniques such as lead-generation that cost you little or nothing—yet bring you much in return. Strive to become a source of profits by increasing the top line rather than the bottom line, thereby helping your customers—and your company—grow business for the long term. ■