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## **The CRM-Enabled Homebuilder: Lessons Learned**

April 2005

A monumental shift has occurred in the homebuilding market in recent years. The change originated not with homebuilders, but with their customers. Today's homebuyers have changed dramatically from those of just a few years back—they're more demanding, more informed, more mobile, and more tech-savvy. They know what they want in a home and they know how they want to buy it. Ignore their preferences, and you've lost their business. On the other hand, give them what they want, when they want it, the way they want, and you may make more than a sale—you may create a customer for life.

The revolution may have started with the customer, but the ball is now in the homebuilder's court. To achieve the level of satisfaction required to attract and retain today's homebuyers, you need to reorganize your company to focus on the customer, rather than the product. You need to gain deep insight into customer behaviors and preferences. You need to present a seamless, consistent customer experience. In short, you need customer relationship management (CRM).

CRM is a business strategy to align your entire organization to best serve the customer, and to serve that customer through the full homebuyer lifecycle, from first contact through the sales process and service warranty, to the next home purchase. CRM technology helps you implement that vision. This approach, which other industries caught on to years ago and have applied with great success, has been largely ignored by homebuilders, who have been slow to recognize CRM's ability to increase earnings, brand loyalty, and shareholder value. Those homebuilders who have initiated CRM strategies have in many cases merely implemented limited, inwardly focused productivity initiatives, failing to grasp the heart of CRM—responsiveness to the customer. The good news is that the industry's delayed adoption of this transformative approach has opened up an exceptional opportunity for homebuilders who seize CRM's true strategic potential to gain an unmatched competitive advantage.

A good CRM strategy integrates all of your customer-facing initiatives—your marketing efforts, your sales interactions, and your service operations—to create a fluid and consistent homebuyer experience. It also unifies data from all of the channels through which you “touch” your customers—your Website, phone calls, emails, personal meetings, open houses, and more. By uniting these functions and consolidating the disparate kinds of information gathered from these activities, you get a holistic, “360-degree” view of the customer that offers profound insight into homebuyer preferences and behaviors. This knowledge can then be used strategically to tailor your products and services, apply your resources where they are most effective, and offer the options that homebuyers want. Communicate with your customers through the channel they prefer; know what they want so that you can target them more successfully. Empower your employees with this knowledge, and every customer “touch” becomes a personalized, high-value transaction; one that builds and extends an enduring relationship. The result is a stronger brand, higher referral rates, enhanced customer satisfaction, increased market share, and reduced operational costs—not to mention a powerful differentiator that could well leave competitors in the dust.

### **CRM Best Practices**

Because many industries are years ahead of homebuilders in CRM implementation, homebuilders have the advantage of being able to examine what has worked in other industries and follow best practices in their own CRM initiatives. The overarching lesson is that homebuilders must be practical in their approach. CRM should be adopted at a manageable pace, based on well-defined priorities, and tied to achievable milestones and measurable results. Numerous CRM execution lessons have proven true across thousands of implementations in a multitude of industries:

- Strategy is paramount. CRM technology plans should be tied to a clear, solid strategy and compelling business case. This means support for CRM must come from the very top of the organization—CRM succeeds when it is understood not as a technology program, but as a strategic organizational realignment with company-wide implications.
- Take it one step at a time. CRM is a journey, not a destination. While CRM's potential is vast, homebuilders should break implementations down into discrete stages to minimize risk and check the value of their investment at every turn. Following a long-term "CRM roadmap" enables homebuilders to keep their eyes on future goals while also achieving intermediate milestones and realizing the associated benefits. Too much, too fast can lead to disappointments and user rejection.
- Where possible, share the risk. Look for a CRM vendor willing to prove their commitment through business arrangements that demonstrate accountability, such as phased license purchases, license-rental models, implementation milestones, and delivery contingencies.
- Keep costs tangible and predictable. Control CRM costs by insisting on a fixed implementation scope and service estimates associated with implementation milestones. If possible, tie costs to variable usage, such as the number of salespeople or homes sold.

### Getting Started

Homebuilders interested in taking advantage of the current CRM window of opportunity should take steps to understand the business concepts behind customer relationship management and the ways in which CRM can provide return on investment. Research what has worked in other industries and look for ideas that might translate well to the high-production homebuilding environment. Seek out a leading CRM technology provider willing to work with you to investigate high-value customer strategies and available technology enablers.

As you make your CRM plans, remember that CRM is not a one-shot deal: develop a phased, pragmatic roadmap that will allow you to experience incremental advances in CRM technology while mitigating financial and deployment risks. For your first phase, plan a high-value, low-risk project that will help you see rapid results and validate your CRM business case. Revisit this roadmap as you complete each phase, using what you've learned to refine future plans.

By following lessons learned from other industries, homebuilders can leverage CRM strategically to build customers for life.

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