

# Partnering with Developers and Realtors For Custom Built Profit



BUILDING KNOWLEDGE SESSION

Partnering with Developers & Realtors for  
Custom Built Profit.

JANUARY 20, 2015 || 1 – 2:00 PM

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By Rick Storlie

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## Additional Resources

My FREE follow-up webinar will go into deeper details of the IBS Program! Click the link(s) below to register & download.

**Feb 26th- [5 Secrets to Structuring Successful Builder/Developer/Realtor Relationships](#)**

**[Watch a recording of the original January 2015 IBS program](#) >>**

**[Download the slides for the original program](#) >>**

**[Morning Star Builders Website](#) >>**

# Case Study Overview

## Morning Star Builders Background and Company Setup

Ted and Yvonne Cummins of Houston, Texas own Morning Star Builders, a design build firm specializing in custom homes from the \$700's - \$2,000,000. Ted serves as the Chief Creative Officer (CCO), handling the design and production side of the business. Yvonne oversees financial administration, marketing and sales. The company was founded in 2000 and currently has 8 employees.

Both Ted and Yvonne work with prospects in the sales phase and Ted assists with staffing during special events. Ted also oversees all estimating and production management.

Morning Star's marketing message is, "Where Inspiration, Innovation and Harmony Reside." To learn more about Morning Star Builders, visit <http://homesbyMorningStar.com/>.





## 2014 Showcase Home Events

In early 2013, Ted and Yvonne approached Caldwell Companies, a local Houston land developer, with the idea of working together to build, promote and host two ***Southern Living Custom Builder Program (SLCBP) Showcase home events.***



The first event would take place in May/June of 2014 in Caldwell's [Towne Lake neighborhood](#), a Master Planned Community (MPC) in Cypress, TX (Northwest Houston). The second event would be held in October/November of 2014 at Caldwell's [Willowcreek Ranch](#) community.

### **Caldwell was intrigued for the following reasons:**

1. The events would create new exposure for both communities in a very competitive Houston market.
2. Towne Lake had just opened up a new custom builder section (its first) and the event would promote the new section to both Realtors along with the consumer target market.
3. The Towne Lake community had many different lower price points with available homesites, model and spec homes. The event would give Caldwell the opportunity to "down sell" to their other neighborhoods.
4. Willowcreek Ranch was a brand new community and only homesites had been sold. No model or spec homes had been built yet. The SLCBP Showcase home would help drive additional interested parties to purchase homesites by experiencing the lifestyle of the community through a custom home.

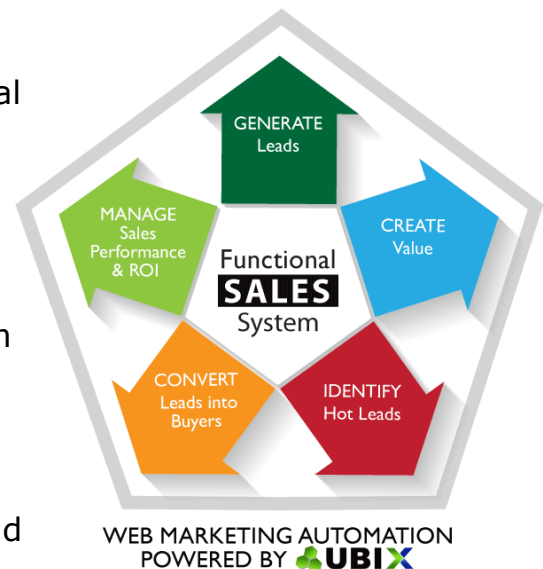


## Morning Star Builders approached Caldwell for the following reasons:

1. Morning Star is competing against other custom builders in Towne Lake and wanted to get exposure to the 40 lot owners in Willowcreek Ranch.
2. Caldwell had an existing promotional campaign that would help drive additional leads to Morning Star. Caldwell was already going to spend money to promote their communities, now they could repurpose some of that budget to promote the events.
3. Caldwell had a well-established Realtor Outreach campaign. Morning Star wanted exposure to those Realtors that were already familiar with both communities. Now they could use the established trust with Caldwell to build a mutually beneficial long-term relationship with those Realtors to spur future sales.

## Sales Plan

Morning Star has subscribed to my Functional Sales System (FSS) since 2012. **Functional Sales** is all about *taking a holistic approach to your sales process* that combines your lead generation, marketing and sales into one synergistic system. The five-step system works like this:



1. **Lead generation** is focused on online leads (automated) along with client and Realtor referrals (partially automated).
2. **Value is automatically created** for your company BEFORE you talk to a prospect through email nurturing and monthly events.
3. Web Marketing Automation automatically **identifies the leads most likely to buy from you** so you don't waste time chasing tire kickers.
4. **Sales increase through higher quality prospects and a streamlined sales process.**

5. **Sales performance & ROI is tracked and measured** creating metrics to run your business which **improves your processes every month.**

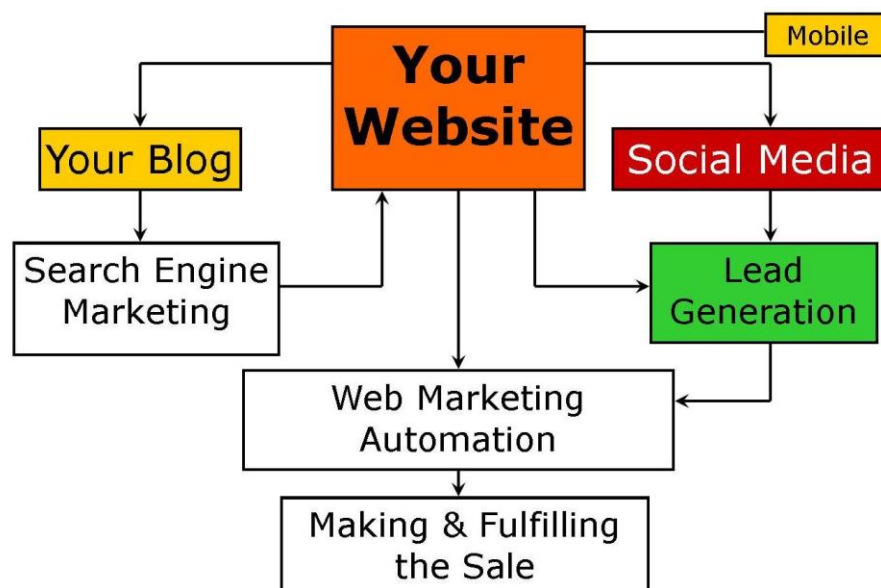
## FSS Components

My sales system is comprised of 3 things:

1. **Coaching**- Beginning with a 12-week Live FastStart course to monthly group coaching and 24/7 video and downloadable resources.
2. **Online lead generation**- From your website, social media and Realtor/Client loyalty programs. Leads are automatically captured and followed-up.
3. **Web Marketing Automation Software**- This handles everything from email blasts, online and offline customer tracking, CRM for salespeople and management metrics.

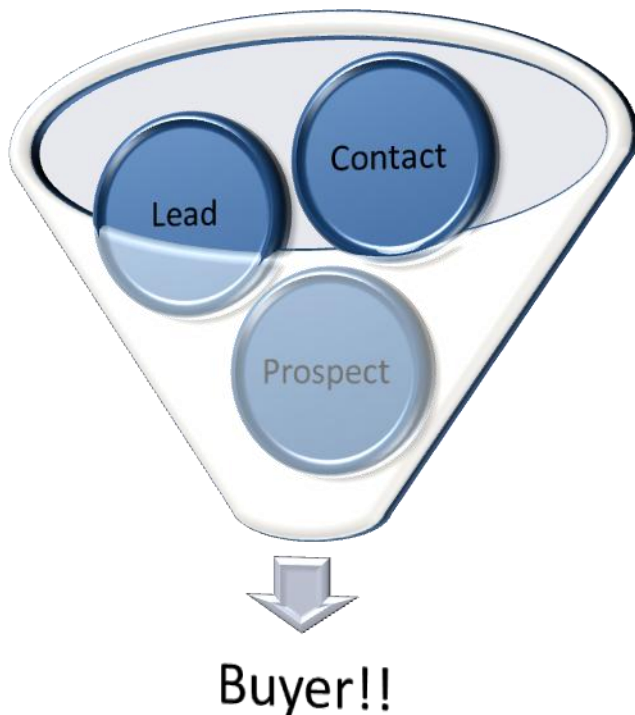
## Web Marketing Automation

The FSS is powered by UbiX web marketing automation software. Below is a diagram that shows how the software ties into all your online and offline lead generation, marketing and sales efforts.



## Morning Star Builders Sales Funnel

The main focus of my role with the SLCBP events was to design a sales funnel for Yvonne. There are three stages in the sales funnel: Contact, Lead and Prospect. Below are the stage definitions:



- **Contact** = Aware of You
- **D Lead** = Expressed Interest (online)
- **C Lead** = More than 12 months out
- **A or B Prospect** = Two way conversation (Ready, Willing &/or Able)
- **Buyer** = Sale!

Here are the modifications/updates we made to the definitions for the events:

- Contest Entry or Ticket Sale = **Contact**
- Download Specs = **D Lead**
- Initial Conversation, no urgency = **C Lead**
- **Conversation with urgency &/or ability to buy = A or B Prospect**
- **Buyer** = Sale!

Automated  
Filter

## Conversions

Approximately 37% of the 1,835 tickets sold were sold online through Eventbrite. That amounted to 679 new Contacts. We integrated the Ubix software directly with Eventbrite so each Contact automatically was captured by Morning Star.

From there, we automatically offered each Contact the option of downloading the specs for the home. Of the 1,049 contacts who purchased a ticket through Eventbrite, approximately 368 or 35% downloaded specs. It's important to note, 185 of the people that downloaded specs were already a lead in Morning Star's database.

That means Morning Star added 183 new leads from the events. These leads were automatically entered into the Morning Star nurturing program, an

automated program designed to create value for the company over a 5.5 month period, and monitored. The leads that were most active online were filtered from the rest and Yvonne received an alert when she should follow up. Each lead was also given a consistent call-to-action to contact Yvonne for more information on design, building locations and pricing.

We'll review sales results in the *Results and Return on Investment* section.

The screenshot shows a promotional page for a home tour event. At the top, it features the Morning Star Builders logo and the event dates, October 14 - November 16. Below this is a large image of a two-story house with a stone and brick facade, surrounded by a well-manicured lawn and a circular driveway. To the right of the house image, the text reads: "Fall 2014 Houston Southern Living Custom Builder Showcase Home" and "Southern Living custom builder program". Below the house image, there is a list of features for the home, including: "Stunning French Chateau elevation", "Slate tile roof", "Copper chimney pots and finials", "4500 sq ft single story", "3 bedrooms", "3 car garage with 3 car attached portico", "Wine grotto", "Storm room", "Kitchen with connected service kitchen", "Raised study with fireplace and floating beams", "Vaulted ceiling with exposed beams in family room", "Spray foam insulation", "21 SEER Lennox HVAC", "Home automation system by Savant", "Master bath with skylight over shower", "Master suite veranda", "Hanging bed", "2 sided fireplace", "Motorized screens", and "Wood ceiling". To the right of the list of features is a smaller image of the house and a map showing the location of the home in Willowcreek Ranch, Tomball, TX. Below the list of features, there is a section titled "How to Tour This Dream Home" which states: "Tickets are \$15 when purchased in advance using Eventbrite and \$17 if purchased at the door by cash or credit card." At the bottom of the page, there is a red button labeled "Buy Tickets" and a link that says "Click on this link to download specifications for this home".

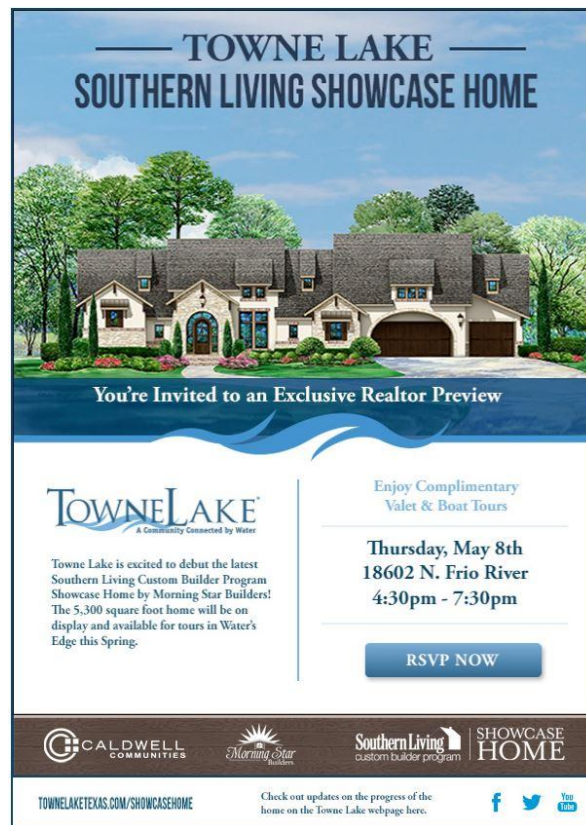


# Promotion and Lead Generation

## Realtor Outreach

Morning Star's Realtor Outreach strategy, in a nutshell, involved tapping into Caldwell's existing relationships. Here is a list of what Caldwell already had established in regards to Realtor relationships in the Towne Lake and Willowcreek Ranch communities:

- **Events:** At a minimum, Caldwell hosts a Realtor event each quarter along with each time a new model home was opening. This was the primary strategy for Morning Star. A special Realtor VIP event was held just prior to the start of the public tours where the contest winner was drawn (see "contest" section below).
- **Communication:** Caldwell sends an e-blast once per quarter along with emails promoting new inventory and or homesites. They also conduct regular office visits to drop off treats with the goal of staying top of mind.
- **Contest:** Morning Star secured the local Thermador Chef for a dinner party for 8 at the Showcase home. Local Realtors could enter the contest up to the beginning of the event to further create a buzz.



## Public Relations

Ted and Yvonne worked with HomeAid Houston, the local charity of the Greater Houston Builder's Association, and Operation Finally Home, a national charity chosen by Southern Living. The charities were approached with the understanding the majority of the ticket sales would be donated to them. Each charity helped promote the events by reaching out to media contacts and assisting with getting the story into local media.

A Media day was hosted for each Showcase home with a ribbon cutting. Approximately 8-10 different media outlets came to the events and provided a TON of great PR. Below are some links to media that picked up the story:



### ***Houston Business Journal*** (article and video)

May <http://www.bizjournals.com/houston/blog/breaking-ground/2014/05/sneak-preview-of-houstons-southern-living-Showcase.html?page=all>

Oct <http://www.bizjournals.com/houston/news/2014/10/22/exclusive-sneak-peek-inside-the-new-southern.html>

### **Houston Chronicle (article and photos)**

<http://www.chron.com/neighborhood/cyfair/news/article/Towne-Lake-Southern-Living-custom-home-is-only-5492551.php>

### **Cy Fair (online and offline magazine story)**

<http://online.cy-fairlifestylesandhomes.com/publication/?i=214720>

## Online Promotion

Morning Star's online promotion consisted of social media, banner ads, blogging and website landing pages.

## Social Media

- **Facebook:** Morning Star set up a separate page just for the Showcase events. You can see it here:

<https://www.facebook.com/pages/Houston-Southern-Living-Custom-Builder-ShowcaseMorning-Star-Builders/219530431411932>.

Facebook was used to capture Contacts through an app called Fan Gate. We created a contest for anyone who wanted to win a dinner party at the Showcase home (same as the Realtor contest) and the app directed them to the entry page on

the Morning Star website to register. Facebook was also used to show construction updates, Showcase vendors' products and design elements of the home.



- **Video (Vimeo & YouTube):** A total of six videos were shot to promote the Showcase home. The first three were shot just after framing, to Showcase some of the design elements of the home. You can see the here in chronological order:

- <https://www.facebook.com/video.php?v=717604978271139&set=vb.219530431411932&type=2&theater>
- <https://www.facebook.com/video.php?v=720516824646621&set=vb.219530431411932&type=2&theater>
- <https://www.facebook.com/video.php?v=721588157872821&set=vb.219530431411932&type=2&theater>

The next two videos were shot when the home was complete. Here's the video promoting the Towne Lake Showcase home <http://youtu.be/ym9oukSklek>.



Finally, the Houston business journal created a video of the October Willowcreek Ranch home here: [http://www.bizjournals.com/houston/video/50MHk4cTp5\\_cL8qO\\_ncCRX301bGN\\_2o0?autoplay=1#oid=50MHk4cTp5\\_cL8qO\\_ncCRX301bGN\\_2o0](http://www.bizjournals.com/houston/video/50MHk4cTp5_cL8qO_ncCRX301bGN_2o0?autoplay=1#oid=50MHk4cTp5_cL8qO_ncCRX301bGN_2o0) . The videos were used primarily on Facebook and in the Morning Star blog posts leading up to and during the public tours.

- **Pinterest:** Pinterest boards were created to promote the homes from concept to completion including selections, videos, design, products, construction updates and a map to the home:



<https://www.pinterest.com/ycummins/houston-southern-living-custom-builder-Showcasemor/>

- **Twitter:** Caldwell promoted the event using #showcasehome on Twitter. Tweets were linked back to their website and from there to an overview page of the event.
- **Banner Ads:** Caldwell ran ads on the Google Display Network to recapture visitors who had previously been to their website before the event was underway. The call to action was to buy tickets and see the home now that it was completed.





## Blogging

The Morning Star blog served as the hub of updates and promotion for the Showcase Homes. Pictures and content were first posted on the blog and then posted or pinned to social media. That strategy allowed Morning Star to capture Contacts by driving them back to the blog and ultimately buying a ticket, registering for the contest, or downloading specs. Here's a sample post for the October Showcase Home:

<http://homesbyMorning Star.com/sneak-peek-of-our-next-southern-living-custom-builder-program-Showcase-home/>

## Website

While the blog was the hub of updates and event promotion, Ted and Yvonne's website <http://HomesbyMorning Star.com/> was the lead capture tool. The primary capture tools before and during the event were:

- **Dinner with a Chef contest** <http://homesbyMorning Star.com/2014-houston-southern-living-custom-builder-program-Showcase-home/>
- **Event overview page with link to purchase tickets** <http://homesbyMorning Star.com/southern-living-custom-builder-overview/>
- **Spec download page** <http://homesbyMorning Star.com/shspecs/>

The masthead was updated for each event to drive potential leads to the overview page.



After each event was completed we changed the masthead with a call-to-action to download the specs for approximately four weeks and then switched back to the normal masthead.

## Offline Promotion

Offline promotion consisted primarily of billboards, magazine ads and community signage. The majority of the ads didn't start running until a couple weeks prior to the tours beginning and they ran during the events.

Caldwell paid for the majority of the offline promotion and used it to create awareness for their communities. One thing that should be noted: all the offline promotion directed prospective contacts to go online, either to <http://townelaketexas.com/> where the Showcase Home event page could be accessed or to Morning Star's website. Both sites had links to purchase tickets on Eventbrite and Towne Lake also had links to the Dinner with a Chef contest.

Magazine ads also promoted vendors who participated in the promotion along with the charities.



## Radio and Events

Radio ads were used during the events to promote ticket sales and attendance. The spots were aimed at the target market demographics and were 15 to 30 seconds in length.



The following events were held for one or both SLCBP Showcase Homes:

- **Ground Breaking:** Held in July 2013 for the Towne Lake home.
- **Realtor Events:** A special Realtor Preview event was held for each home prior to opening to the general public.
- **Media Day:** Each home held a special media event for local media outlets. The charities also attended.
- **VIP Event:** The Towne Lake event was invite-only for targeted executives from local employers and business owners. Willowcreek Ranch was invite only for just the people that had already purchased a homesite.

# Executing Sales Strategies During the Events

The entire sales funnel leading up to the event was nothing but a *giant filter*:

...**Contacts** come into the system through a ticket sale or contest entry and a percentage of those download specs and become **Leads**.

...When a two-way conversation ensues between Ted/Yvonne and the Lead, the determination is made if the person is an **A or B Prospect**.

...**Prospects** go through the sales process and another percentage go into plan design and ultimately become **Buyers**.

The event itself was yet another filter. Ted and Yvonne were already armed with contact information of all the ticket pre-sales and contest entries. They had tablets available where they could quickly look-up any of these people and make notes based on conversations at the events. However, there were still **three challenges at the event**.

## **Ticket sales at the door**

63% of all Eventbrite ticket sales (1,156) happened at the door. Eventbrite has an app to swipe cards using a tablet which worked great. We were still able to automatically move the contact information from the Eventbrite shopping cart into Morning Star's Ubix system.





**The first challenge came from cash sales.** Cash sales had to be qualified really quickly to determine lookie loos from prospects. Yvonne developed a few quick qualifier questions where she could make a determination if the Contact was worth pursuing. The questions included if the Contact had already been to the Towne Lake visitor center, if they would like a quick overview of the available homesites in Towne Lake, or if they were interested in receiving a copy of the specs for the home.

### **Staffing the Event**

In addition to Ted and Yvonne, Towne Lake provided a representative to help with ticket sales at the door. Yvonne made sure to greet everyone while Ted roamed the house. The interior designers were on hand to provide information on the decor and selections. Vendors were used to engage visitors and promote their products. At any one time, there were 6 - 8 different people staffing the home.



### **Converting Contacts to Leads and Prospects**

**The second challenge** at the event was identifying and communicating to the team who was a Prospect. The solution was to use different colored registration cards. Anytime a team member identified a prospect, a red colored registration card was handed to them. This alerted Ted and Yvonne on who to focus on and who not to waste time.



## Closing

**The third challenge** at the event was closing the Prospect. We came up with a great solution for this- B-Backs! Each ticket allowed one visit to the home so a second tour was a bonus! When a Prospect was identified and confirmed, Yvonne and Ted would close for an appointment. During the event there were always dozens of people coming through the home so it was impossible to have a meaningful conversation with any one Prospect. Yvonne would simply close for an appointment to come back to the home during non-event hours where they could take more time to explore the ideas the Prospect was considering for their home.



# Results and Return on Investment

This section will focus on the immediate results (new contacts, leads, web traffic, etc) and then end with long term results (sales).

## Immediate Results

### Website Traffic

- The TowneLake.com website visitors doubled from Q1 2014 to Q2 (11,000 visitors/month January - March and 20,000 visitors/month April - June).
- The Southern Living Event page had over 10,000 page views alone between April 11th - June 13th, 2014.

### Towne Lake Traffic

- Welcome Center traffic increased 25% in Q2 over Q1 and 31% year over year in May 2014.
- Builder model traffic increased 30% in Q2 over Q1 and 37% year over year in May (these are other model locations inside Towne Lake).

### Realtors Reached

- 55 Realtors attended the Towne Lake Realtor Preview.
- 45 Realtors attended the Willowcreek Ranch Realtor Preview.

### Social Media

- Morning Star's SLCBP Facebook page has 382 likes.
- The Pinterest board for the Towne Lake home has 154 followers. The Willowcreek Ranch board has 163.
- Each Vimeo and YouTube video has approximately 1,300 - 1,600 views.
- The Towne Lake Facebook page saw a 30%+ spike in likes in May and June.

### **Events (Non-Realtor)**

- The Groundbreaking for the Towne Lake home in July 2013 had about 50 Realtors, chamber representatives and community contacts attend.
- 35 people attended the Towne Lake VIP night.
- 10 media contacts attended the Towne Lake media day and 8 attended for Willowcreek Ranch.
- 75 lot owners attended the VIP event for Willowcreek Ranch.

### **New Contacts (ticket sales & contest entries)**

- 1,049 tickets were sold through Eventbrite (more cash sales at the door).
- 316 contest registrations from the Morning Star website.

### **New Leads**

- The web leads for Towne Lake were up 50% in the second quarter going from 54/month in Q1 to 80/month in Q2.
- The home specs were downloaded 368 times from the Morning Star website. 183 of those were from new Contacts from the event; 52 of those people requested more information on building a home.
- Morning Star had 153 leads and prospects in Q1 averaging 51/month. In Q2, during the event and NOT including any Contacts or Leads generated from the event, Morning Star generated 270 new Leads and Prospects or 90/month!
- In Q3 Morning Star averaged 38 leads/month or 115 for the quarter. In Q4, traditionally a much slower lead generation quarter, Morning Star held steady at 110 new Leads and Prospects NOT including any Contacts from the event.

### **New Prospects & Buyers**

- 58 of the 183 Leads converted into Prospects (32%).
- 7 of the 58 Prospects have converted into Plan Deposits (12%).
- 5 of the 7 plan deposits (71%) have converted to sales + 1 model sale in Towne Lake (to a Realtor no less!). The 2 other plan deposits are still in design.



## Long Term Results

### Year over Year Growth for Morning Star

- 2013- \$4.35 million in sales volume.
- 2014- \$6.85 million in sales volume (+36%).
- 2015 (already booked)- \$10.8 million in sales volume (+37%).

### The Value of a Database

At the end of 2013, Morning Star had 1,154 Leads and Prospects in their database. That same year, they had \$4.35 million in sales volume. Using those two metrics, each name in their database was worth \$3,769 in sales volume.

Throughout 2014, Morning Star added 1,386 more Lead and Prospects and ended the year with 2,540. This does not include another 715 Contacts. Sales volume in 2014 was \$6.85 million making each Lead/Prospect worth \$2,697.

### 2015 and Beyond

- Booked sales for the year are already at \$10.8 million.
- 32 new Leads and 5 new Prospects were added in January.

#### Customers Conversions Scorecard

Sales Person:

From Date  To Date

Current Stage →	Lead		Prospect		Buyer		Owner
Previous Stage ↓	#	AVG	#	AVG	#	AVG	#
Contact	1	292	1	95			
Lead			6	240			
Prospect					3	293	

According to the report above in January 2015...

- 1 Contact from the SLCBP events has been converted to a Lead.
- 6 Leads were converted to Prospects
- 3 Prospects were converted to Buyers

## SALES FUNNEL

Include Participants with Click Activities From Date: 01/01/2015

Sales Person: - All -

Score Range From: to

Customer Type: Customer Types

Stage: Select Stages Lead;Prospect;

Disregard Event Registration Status ☒ (Includes active participants with a score)

☐ Exclude registrations to Event: ☐ Include registrations to Event: (Includes invited participants that did not register)

Participants: ☒ Activity ☐ Details Report ☐ Click Trail

Source: ☒ Any ☐ Web ☐ Entry

Submit

**Opportunity Grades**

Grade	Count	Percentage
Hot	93	77.5%
Momentum	25	20.8%
Value	2	1.7%
Cold	0	0%

- 93 people in the Lead/Prospect database out of 2,577 are Hot (actively engaged via email and Website activity) or 3.6%.

## Conversion Times for Morning Star Builders (1/1/14 - 1/31/15)

### Customers Conversions Scorecard

Sales Person: - ALL -

From Date 01/01/2014 To Date 01/31/2015

Search

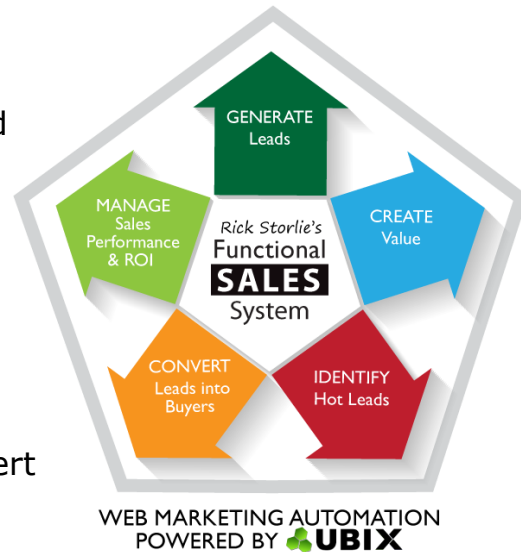
Current Stage →	Lead		Prospect		Buyer		Owner		Lost	
Previous Stage ↓	#	AVG	#	AVG	#	AVG	#	AVG	#	AVG
Contact	184	35	24	35						
Lead			40	191	4	732				
Prospect					6	306				
Buyer							5	335		
Owner										
Lost										

- It takes 35 days, on average, to convert a Contact to a Lead or a Prospect.
- It takes 191 days (6.36 months), on average, to convert a Lead to a Prospect.
- It takes 306 days (10.2 months), on average, to convert a Prospect to a Buyer.
- Buyers:** 54 days (1.8 months), on average, to convert from a Lead to a Prospect
- Buyers:** 243 days (8 months), on average, to convert from a Prospect to a Buyer.

## About Rick Storlie

Rick Storlie has been helping home builders and remodelers automate and improve their sales process since 1992. Home builders and remodelers around the world subscribe to his **five-step Functional Sales System Powered by Ubix Web Marketing Automation (FSS)**. Rick's FSS includes:

- Automated online & referral Lead Generation.
- Automated Value Creation so you don't have to fight price wars.
- Automated Lead Filtering so you don't waste time on tire kickers.
- Ongoing Sales Coaching to convert more prospects into buyers.
- Management Metrics to determine sales performance & ROI.



For more information or to see a demo of Rick's FSS, Online Academy or Referral Generator visit <http://www.nhsalescoach.com/> or call/email 952-895-5566; [Coach@NHSalesCoach.com](mailto:Coach@NHSalesCoach.com).

