

Now What?

By George Porter

Recently I was asked what to do about a problem on a new home. It seems that the home was delivered to the dealer's lot where it sat around for a few days. It couldn't be delivered to the customer's lot because of various reasons not the least of which was it rained heavily and the site was not ready. By the time the home was delivered the customer was probably somewhat anxious and excited. When they pulled off the protective plastic from the two halves of the home it had leaked a lot and had ruined a large section of ceiling, wall, floor and carpet. The consumer became very upset about the condition of their new home and didn't want to accept it, they wanted a new one! This customer was not interested in a damaged home, it was not what she bought and it was not what she was going to make payments on for the next 30 years!

The dealer assured her that the home would be fixed as good as new but she would have none of it! She wanted a new undamaged home or her money back! One or the other, period! The question for me was, "how do you make the customer take the home?"

There are short answers and long answers to this question but they all arrive at the same point in the end, you don't make customers do anything they don't want to do without it usually being more expensive in time, money and business reputation than it is worth. How did you "make them" want the home in the first place? Did you demand that they give you the money and sign the contract? Of course not! You sold them the home by meeting their needs and wants and as every good salesman knows, bad surprises kill deals quickly. So when was it that the dealership stopped selling these people the home? It sounds like he stopped when the salesman got the down payment. All world class sales people know that this is when the real selling begins. The delivery on the promise and the follow through after the sale are what separates the really great dealerships from the pack and keeps them doing business when the times get tough.

If there is substantial damage to the home then there is no good solution to this problem for the dealer. The only way to come out ahead in these problems is to avoid them. Here is how you do that:

1. Check the home before delivery. Many times small problems like water leaks can be repaired before they become large. Many manufacturers have pre-delivery checklists in order to avoid problems just like this.
2. Check all homes on the lot after every storm or other weather related events. If your homes are damaged by storms or even vandalism you may have an insurance claim.
3. There are very few incidences of "substantial damage" that can not be spotted on the dealer's lot. It is going to have to be fixed sooner or later and sooner is much better.
4. There are plenty of states where a home in this condition would be red tagged and would have

to be repaired and factory inspected before it could be sold.

5. If the customer wasn't there to see the damage would someone ever have told them about it? In my opinion you should be up front and above board with customers. When you have a situation like this, which in my opinion was badly handled, and the customer is upset, what do you think would happen if this customer found out three months from now that her new home was rebuilt without her knowledge?. Telling some customers' information like this may occasionally kill a sale but you will save more money than you loose. Besides, can you think of a cheaper time for the sale to die?

The cure here is prevention; the problem should have been detected early and fixed by the dealership on the lot or the installer before he picked it up to deliver it. Have you ever heard of delivering a brand new car with rusty fenders and a big stain on the seat that the customer had never seen before and the dealership made them take it? Of course not and you shouldn't expect differently in a home.

As for this deal right now? Ask the customer what she wants to do and do it if it's possible, also pray for a little luck and see if the IRS will let you deduct the cost as an educational expense.