

technology

It's Time to Have a Conversation About Sales

The past two decades have brought a plethora of innovation in multifamily housing operations, including credit scoring, revman, and cloud-based property management. So why is sales still done the same way it was 20 years ago? By Donald Davidoff

LET'S REFLECT ON THE PAST 20 YEARS OF INNOVATION IN MULTIFAMILY HOUSING OPERATIONS:

Just a bit less than 20 years ago, CoreLogic SafeRent revolutionized the credit-scoring process as the first product to replace multiday, manual credit checks with near-instantaneous credit decisions. This was the first instance of technology truly disrupting “front-office” processes.



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Fast-forward a few years, and Lease Rent Options® (LRO) was introduced as the first automated pricing system for multifamily. Soon after, prices were set by algorithms overseen by pricing experts rather than by individual community and/or regional managers.

Around the same time, Web-based (and eventually cloud-based) property management systems completely changed basic property management. Processes, data flows, and reporting all advanced as site computers became little more than terminals, thus allowing much more insight and control from corporate headquarters.

The mid to late '00s then brought the advent of e-commerce, which completely changed marketing and resident interactions. Prospect portals allowed for everything from self-search to online leasing, and resident portals for everything from online payments to online service requests. In parallel, the proliferation of Internet listing services and resident

review sites radically altered how our prospects shop, ushering in the “Zero Moment of Truth” (ZMOT) era using a term coined by Google to describe this new search-driven paradigm.

Yet there's one critical front-office function that, in the past 20 years, hasn't changed for the vast majority of multifamily operators—sales (or, if you prefer, leasing). We still model, train, and coach sales the same way we did two decades years ago. No one would argue that prospects buy the same way they did that long ago (see the ZMOT comment above). So why is this so?

ODD TOPIC OUT

I've been thinking a lot about this, and I believe one of the key reasons is that sales and sales approaches are just not really part of the conversation—in the industry or in the C-suite. I go to a lot of conferences each year. There's plenty of content on pricing, and even more on marketing. There are various technology sessions and plenty of discussions on different ways to improve operations. There's even plenty of conversation these days on data breach risks.

But there's almost no content focused on sales! CEOs and COOs talk about revenue growth, occupancy, and rent growth. They may even talk about the need to “sell better,” but this conversation usually stays at a simple level, with questions like, “How do we hire better salespeople?” “How should we change our bonus system to drive better sales?” or “How can we train people to close better?”

This last question is perhaps the most pernicious trap of them all. I regularly see the C-suite relegate sales to being a “training issue.” If they do anything at all (and many don't), they assign it to their director of training to solve.

There's no doubt training is a very important part of solving the problem, and the head of training should be part of the team. But solving the sales problem requires much more than just training. It requires attention to the entire ecosystem that supports sales.

Show me someone who “needs to close better,” and I'll show you someone who really needs to ask better questions and do a better job of connecting with, and truly caring about, the prospect early in the process.

Show me someone who “needs to connect better,” and I’ll show you a company that needs to have a better sales model, a better culture of coaching, and/or a better recruiting and hiring process.

The point is, a lease doesn’t just happen because someone closes well; it happens because there’s an entire set of activities that has created a platform from which leases occur.

QUESTIONS TO PONDER

So how do we get going down a better road? Interestingly, when I think back to my start in the industry in the late 1990s, marketing was undervalued and there really wasn’t much of a conversation going on about that. All of the Internet marketing opportunities changed that—now, conferences have strong marketing content, and there are even conferences dedicated solely to marketing.

That’s why I believe we need to have a conversation about sales. Industry and C-suite conversations need to be more

HERE ARE SOME QUESTIONS TO GET THE CONVERSATION GOING:

What’s the role of training versus leadership? What do other functions (recruiting, compensation, technology, etcetera) have to do to support sales?

How does the ZMOT model for modern shopping affect the apartment search process? What does that mean for how we should change our sales model? The reality of the ZMOT radically changes how we need to approach leasing.

Is our sales approach truly prospect centered, or do we just pretend it is? I’ve looked at a couple dozen sales systems

for clients and prospects, and every single one of them is essentially process, not prospect, focused. We teach our leasing associates how to handle leads and work them through (our) pipeline; instead, we should be teaching how prospects make a leasing decision and how we can help them through their process.

Does our sales approach leverage, or conflict with, the realities of our employment base? Our industry doesn’t pay enough to attract real sales superstars, so we need to make sure our sales approach works for the more service-oriented talents and skills we’re likely to attract.

Do we really want a “sales culture?” Or, given that we deal more with structural demand rather than having to create demand ourselves, would we be better served adopting a “serve the prospect” culture more in line with our existing teams’ strengths?

What do you do to make sure learning “sticks?” I find that “single event” training rarely works. Participants go back into the work environment, where the old culture swamps the new ideas. For learning to stick, it needs to be supported by coaching, measurement, and structured opportunities to practice the new behavior and reflect upon what’s working and what needs to be further modified.

Sales is the “next big thing” in need of improvement in property operations, but that won’t happen until we start having the conversation. MFE

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