

## GUEST EDITORIAL by Chris Westfall

# How to Score with Developers



**Put together an exclusive rights contract ... While the walls are open, all audio/video has to flow through you. No exceptions.**

**W**hy aren't integrators more successful in selling into large builder and developer opportunities? Is it really all about the market conditions, or is there something that you could be doing right now to position yourself for future growth?

Capturing the "big deal" means working smart, understanding a new customer (the developer) and fine-tuning your message to fit the market. Selling to developers requires an understanding of how developers think. For now, let's set technology aside and focus on how to engage a large-scale housing opportunity.

### What You Need to Know

Developers are financial folks — specializing in the handling of money in perhaps the second oldest profession (real estate). More specifically, they specialize in the handling of other people's money. The first way you can help them is by understanding that you are working with an investor, and they want to know how you are going to help them from an investment perspective.

I can hear you saying: "Wait a minute! I'm not running a donation center for developers! I'm here to sell some goods and services. What's in it for me?"

I'm not suggesting that you begin running a not-for-profit integration company. In fact, it's quite the opposite; I'm simply suggesting that you consider your approach to a financial sale, to maximize your value (and your profits) via a clear understanding of your customer.

Here are the steps to selling effectively to a builder, or developer:

■ **Propose a standard infrastructure and package for every home.** Start small and keep it simple; don't expect the developer to dump hordes of money into an unsold unit. Keep it standard. If you are not standard, the developer hasn't really seen the value. Integration services need to be a part of every single dwelling. Period.

■ **Deliver a discounted solution for the sales center.** Discounting services is part of your investment — but your effort is never free. Consider the

investment a marketing expense, but maintain the value for the developer. After all, the developer will profit from the sales center. They should be willing to share in this investment — don't you agree?

■ **Put together an exclusive rights contract to sell upgrades to all the residents.** The upgrades are based on three standard packages while option four is full custom. You've discounted the sales center, you've put together stellar pricing on your standard packages, now what will you receive in return for your investment? While the walls are open, all audio/video has to flow through you. No exceptions.

■ **Sell the upgrades.** Work with the sales staff in the model home or sales center to be sure they understand the value proposition. The more time you invest, the more results you will see.

■ **Consider a profit sharing program.** Developers differ in their expectations here, but the idea is to make sure that they want to see you maximize the upgrade business, because they share in the results of your efforts. The sales center staff will help sell your business for you, even when you aren't there.

The developer makes a low-cost initial investment, and so do you. You are the vendor of choice until the walls are closed, and the sales center is locked and loaded with your finest jaw-dropping demo installation.

Cash flow concerns are addressed through the collection of deposits as you participate in the sales center process. The key to the whole business model lies in your ability to sell upgrades, and then make sure that the developer and the sales center staff are really engaged as part of your "success team."

Now is the time to consider how you want to position yourself for future growth. Whether it's in a vertical or horizontal community, the opportunity exists for those who understand the financial sale — no matter what the market conditions.

*Chris Westfall is vice president of sales for NuVo Technologies.*