

THERE'S A LOT TO LEARN FROM A MARKETING EXEC WHO SPEAKS OPENLY ABOUT PAST BLUNDERS

MY 3 BIGGEST MISTAKES

By Kevin Oakley, Contributing Editor



I've made some mistakes. Scratch that. I've made some massive mistakes; ones that have cost the companies I've worked for millions of dollars in revenue. I've also made mistakes that have wasted years of my professional career. I've had the opportunity to run marketing and sales efforts at three very different types of organizations, which basically means I've had three unique environments in which to screw up. There was a privately owned, regional builder with \$2 billion in revenue; a family-owned custom builder in a single market; and a large, public builder with more than \$5.5 billion in revenue.

Though I wish they hadn't happened, these blunders weren't in vain. I learned a lot. And you can, too, because you can save your company millions and maximize each year of your career by learning from my missteps. Here are the biggest mistakes I've made, and valuable tips to help you avoid them.

✘ MISTAKE NO. 1 ALLOWING MARKETING EFFORTS TO BE REACTIVE RATHER THAN PROACTIVE

Marketers in our industry could often be mistaken for firefighters. Although called on to put out wildfires in every area of the company, they're rarely given the chance to work on prevention. Reactive marketing is often bad marketing simply because it ignores the long-term strategies and goals of the company in favor of achieving short-term pain relief.

I can't tell you how much money and time I wasted because my division president or CEO desperately wanted me to solve an issue as quickly as possible regardless of expense or of compromising our long-term marketing strategy. Their pain was too great, and it needed an immediate remedy to make it go away. I was almost five years and two home builders deep into my career before I learned how to effectively use data to communicate the importance of following the right strategy and process.

You need the right data (cost per lead, cost per sale, conversion ratios, etc.) and enough credibility from past success to tell your bosses that, while you can appreciate their pain, you have a great long-term solution that they may not have considered, and you can back it up with data.

A SHIFT OF JUST 1 PERCENT IN TRAFFIC-TO-SALES RATIO CAN QUICKLY MAKE MILLIONS MORE IN PROFIT

✘ MISTAKE NO. 2 FOCUSING TOO MUCH ON NEW PROSPECTS INSTEAD OF MAXIMIZING MY SALES FUNNEL

This is an easy trap to fall into, especially when the market is good and there seems to be an endless supply of qualified prospects. However, continuing to invest in your sales and marketing funnel, even in good markets, offers many benefits.

- **You're able to raise prices faster.** You also raise them at higher amounts to increase profitability.
- **You don't leak leads out of your funnel.** Instead, you continue marketing to the majority, who, data confirms, won't buy from you in that first 45-day period after they initially request information. This becomes even more important in a down market.
- **You can accurately forecast your sales results.** This way, you'll sell more evenly throughout the year.
- **You can secure additional land deals.** This can result from your reputation for excellence or your ability to pay more because of consistent and excellent sales.

Dozens of builders around the country tell me that they're significantly (20 to 30 percent) over their sales plan. Now is the perfect time to optimize your sales and marketing funnel so that you're better prepared for when the market starts to cool. With this change in focus, I've been able to optimize traffic-to-sales ratios from 5 percent up to 12 percent, and online leads to on-site appointment ratios from 25 percent to as high as 70 percent. A shift of just 1 percent in your traffic-to-sales ratio can quickly make you millions more dollars in profit.

It's not easy. You'll need an approach that's consistent and disciplined. You'll have to communicate and work well across multiple departments. But it's the only way to consistently grow long-term results.

✘ MISTAKE NO. 3 NOT INVESTING ENOUGH TIME, ENERGY, AND MONEY IN WHAT'S LASTING: PEOPLE, CONTENT, AND PROCESS

Our business emphasizes month-to-month and quarter-to-quarter results. But current promotions will end and beautiful advertisements will outlive their usefulness. At that point, you won't have much to build on unless you train yourself to look much farther ahead to make the right investments in your marketing program.

People: I am more proud of those I have mentored than of anything else I've ever done. When times are challenging, the people you've invested in will step up and be part of the solution.

Content: Your website will never be done or good enough. You must continually renovate, test, and add more to it. Beautiful photography, professional-caliber video, and well-written blog posts will keep on working for you.

Process: Getting the right CRM in place, developing accurate follow-up processes, and making sure that your team is working with up-to-date tools will allow you to flourish in any market. The builder I was with from 2007 to 2011 actually grew up to 20 percent every year of the downturn because of our relentless focus on improving our processes.

What about you? Are these three mistakes affecting your marketing efforts? Drop me a note at kevin@doyouconvert.com to let me know. **PB**

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