

AUGUST, 1993

The President's Club Monthly

THE MONTHLY NEWSLETTER FOR NATIONWIDE, ADVANTAGE, KEY,
INSTANT LIVING, AND THE FACTORY OUTLET STORES

One Fantastic Trip Down, One to Go! Great time had by all on Caribbean Cruise, 28 others prepare for Cancun Extravaganza!

Midland Promotion Attracts over 200 Customers in one Amazing Week

Nationwide of Midland, in conjunction with American Homestar of Burleson, held a highly-advertised public showing of their new American Homestar residential style houses from Aug. 15 - 22. After much resistance, **Dewayne Click** and **Greg Burnett** convinced the Odessa American Newspaper to feature the home in a full page spread in their Real Estate & Home section. "It was more of an attempt to change an image than to have a "sale" per se," said Click, "we were overwhelmed by the curious masses but should still end up getting 7 retail orders out of it. We couldn't be happier." If other locations are interested in coordinating this kind of promotion, please call Dewayne in Midland.

As expected, the August 1st through 8th trip to the Southern Caribbean was a vacation that no one will soon forget.

Highlights

Days were spent on many of the island's beautiful beaches. Antiqua, St. Martin and St. Thomas had exceptionally clean and beautiful ones. All involved took advantage of the great deals at the local shopping centers. At night, though, the action turned to the casino.

The Reigning

Champion

Defending Black Jack Tournament Champion **Craig Reynolds** retained his title of top player by edging out **Chuck Carney, Sr.** It was close but, in the end, Chuck just couldn't buy a card.

Looking Forward

Though its tough to get back to work after such an exciting time, everyone seemed ready to get back to doing what got them there in the first place...selling homes. Also, details for the trip to

Cancun have now been finalized. Everyone will arrive in Mexico in the early afternoon on Sep. 12 and will be free to use the rest of the day for getting acquainted with the beautiful Fiesta Americana Hotel and the city. A cocktail party is being planned for Monday night at one of Cancun's hottest spots. Local sports include horse back riding, golf, snorkeling, scuba diving, sailing and (gulp!) para-sailing. **Mark Hawkins** from Unique Tours will be traveling with the group to make sure that everyone gets to where they need or want to be. Viva Mexico!

American Homestar in Burleson Starts Strongly

The one-two punch of American Homestar's popular 860 & 862 floor plans have already resulted in an impressive 48 home backlog. Nationwide locations such as Oklahoma City, the 288 SuperCenter, and Midland have all done extremely well with the houses. "It helps that there's nothing else like it

on the market," says Midland President **Greg Burnett**. "The great value of the home results high margins and high volume for us." The plant is currently taking measures to increase production from their current level of two floors per day. New floor plans are also in the works.

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COMPANY BIRTHDAYS SEPT., 1993

Kenneth Butler
Sept. 3rd
Sharon Boggs
Sept. 3rd
Byron Cook
Sept. 5th
T. Neal Foster
Sept. 6th
John Sherrill
Sept. 7th
Harold
Lintzenich
Sept. 10th
Robie Avalos
Sept. 12th
John Holzer
Sept. 13
Karen Centers
Sept. 14
Jack Williams
Sept. 14
Jack Doss
Sept. 16
Karen Daniels
Sept. 17
Greg Burnett
Sept. 18
Benny Clark, Jr.
Sept. 19
Chuck Ladd
Sept. 19
Bob Legg
Sept. 22
Larry Miller
Sept. 22
Timothy Pegg
Sept. 25
Fred Setzer
Sept. 25
Debra Keller
Sept. 28
Roger Jackson
Sept. 30

Profiles in Excellence

*Larry Speck, President
of Nationwide of
Mesquite*

Profiles in Excellence is a new feature which focuses on people or locations in our company which have consistently set standards for others to follow.

Larry Neal Speck was raised in Lebanon, Pennsylvania, the middle child of five kids. With aspirations of a career in law enforcement, Larry enrolled in Eastern Kentucky University after high school. Upon graduation in 1976, Larry pursued his Master's in Criminal Justice, but, after the completion of the necessary hours, he was convinced by a number of college buddies, among them Chuck Carney, Jr., to move to Houston.

A Start at Mobile America

Big money was being made selling mobile homes for Mobile America. Larry took their advice and never looked back. He started as a salesperson on Mobile America - Gulf Freeway and was promoted to Sales Manager of the adjacent America's Choice lot just eight months later. Larry subsequently managed a number of locations for both Mobile America and Advantage Housing before becoming a Nationwide Partner in January of 1988. He has

developed his personal organization into the largest partnership in the entire Nationwide chain. Larry currently oversees operations in Tulsa, Oklahoma City, Lancaster (2) and, of course, Mesquite.

Larry spoke recently with the *President's Club Monthly* to discuss the keys to his previous successes and to see what his future has in store.

The Interview

Why did you decide to become a partner with Nationwide?

Working with Nationwide has given me the opportunity to work with partners who are also great friends. I also believed in the long term goal of becoming a public company. I wanted to assist in taking a company in the embryonic stage and growing it into a dominant force in the national market. Also, the sense of ownership and business education one receives from working within our organization is an added benefit.

Other than by maintaining a strong staff, to what do you credit your success at running multiple locations?

A commitment to the education of our people to the understanding of the sales process. Also, all Nationwide of Mesquite management tries to install pride into everyone they work with. The commitment to educating the people around you insures future growth.

You are one of the best in the

company at recruiting and keeping top people. How do you do this and what advice do you have for others trying to do the same thing?

I maintain that honesty and sincerity are the best and only policies. You must also learn to expect excellence and the quality people will deliver it. I try to recruit and hire people who have a strong commitment to success. Not only for themselves, but for those around them, also. Building a successful staff requires strong leadership from people other than management...it has to come from every level and every position. You have to hire people who want to be "people growers."

What does Nationwide have to offer that other mobile home chains do not?

The level of integrity and commitment to excellence necessary for providing only quality sales for everyone involved...the customer, the company, the salesman and the finance company.

What are your long and short term goals for Nationwide of Mesquite?

To develop and train enough good, strong leaders within our company to be able to take advantage of all future growth opportunities.

Larry says the key ingredient to his personal success in life has been his wonderful family. Always supporting him, at home and at work, is his terrific wife, **Reeda**. When not filling in at one of Larry's lots, Reeda raises their two fine, handsome sons, **Jared** (age 6) and **Austin**, (age 4). Talk about a winning team!

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The Tax Close

Make More Money w/ this Winning Method!

Very often, salespeople may find themselves in situations where a customer feels the payment for the home they love is too high to justify a financial commitment that day. Also, there are times when one closes a customer on the final paperwork and, for one reason or another, the payment is higher than they expected.

When these obstacles present themselves, it is time to put the "tax close" and your "Renting vs. Owning" posters to good use.

Following is a script of a make-believe conversation between a salesperson and a customer during which the tax advantages of owning are presented. It is intended to represent only a model yet key phrases and transitions should be used verbatim.

MR. SMITH (our customer): "Well, Joe, as I told you before, I'm paying \$350 a month in rent right now and just don't feel comfortable paying \$400. It's not like I can't afford it, it's just that I like having extra money to go out with."

JOE (our salesman): "Mr. Smith, I understand what you mean but I think its important that you take into account the huge savings you will realize by owning as opposed to renting..."

Consider this your transitional statement, it sets you up to into your explanation of the tax close. Go, without hesitation, into the following statement:

JOE: "You know, Mr. Smith, it seems like the last tax break the government has left us with is the benefit you get by owning as opposed to renting. The law states that every dollar you pay in interest towards your home is deductible from your taxable income. That adds up to big money over the course of a year!"

At this point, get your calculator out and, pointing where the customer can see your math work, say the following and go into the calculations...

JOE: "As you probably know, the way home loans are set up, a person pays most of the interest at the beginning of his loan and pays most of the principle at the end. In fact, anywhere from 92% to 95% of your first five years payments on a long term loan will go towards the interest. The good thing about that is that you get to deduct every dime of that from your taxable income! It is very important that the salesman stop each time he makes a major point to make sure that the customer is understanding the point. If he or she is sitting there with glazed eyes and a blank look on their face, they're not with you no matter what they say. This is only effective if they understand it!"

JOE: (jokingly) Are you with me so far, Mr. Smith? It took me a while before I figured this out so please stop me if I say something that doesn't make sense.

MR. SMITH: Yes, I understand.

JOE: Now, over the course of a year you will pay for your home, let's see (punch out on computer as customer

follows) 12 months times \$400 comes out to be \$4800. Let's say that 92% of that's interest. It could actually be more than that but I want this estimate to be conservative. Anyway, this would mean that you will be paying (Punch out \$4,800 X .92) \$4,416 a year in interest. Remember, every dime of that is tax deductible! Now, this may be too conservative, but if you're in the 28% tax bracket like most Americans, this could mean an annual savings of (punch out \$4,416 x .28) \$1,236 dollars. Sir, this isn't imaginary money...this is real cash you put in your pocket that you would not have if you were renting."

At this point, let the poster take over! It does your math for you while giving you an attractive and credible proof source. Point to the upper right hand grid where the "tax benefits of owning" are detailed. Go to where the \$400 payment column meets the yearly tax savings column and you will find (surprise!) \$1,236.48!

JOE: "This poster I have explains what that means to you on a monthly basis. If you save \$1,236 per year, that breaks down to (Point two columns to the left) \$103 per month. Now, think about this with me...If you are paying out \$400 per month for your home but saving \$103 per month as a result of the investment, over the course of a year, doesn't that wash out to be only (Point 1 column to the right) \$297 per month net that you are

paying? Its only fair to attribute the savings to its source, don't you agree?"

MR. SMITH: "Yes, I see what you mean."

JOE: "That ends up being \$50 a month less than what you're throwing away in rent right now. Now aren't you ready to start enjoying the financial benefits of home ownership? How do you spell that last name?"

A few words of advice: Use the poster's grid only for customer's who will be financing their homes for 15 to 25 years. Otherwise, the numbers representing estimated savings will not apply. Also, round a customer's expected payment to the nearest \$50. That way, your numbers will match the poster's. Never guarantee the tax savings. It is up to the customer to make sure they fill out the proper long form and ultimately realize the tax break.

Editor's Note: Thanks to Russ Madden for Teaching this close in Mesquite

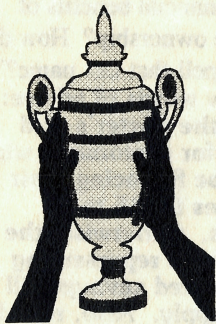
Total Quality Mgmt Athens Meeting Held

Redman's Phil Surles and Gregg Melton held a Quality Management focus group in Athens, Texas on August 18, 1993. Attending were Chuck Carney, Jr., East Texas' Jim Clark, the SuperCenter's Jim Taylor, Mesquite's Larry Speck and Dave Davis among others. The subject was service and, according to those attending, much was accomplished. Sam Breen will host the next T.Q.M. seminar on October 7 & 8.

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WHO'S HOT

1st Qtr Contest Standings



After two months of selling, the race has really heated up in this quarter's contest. Instant Gulf's **Dave Schwartz** (72.1 pts.) has skyrocketed into first place after his fabulous month. **Jack Williams** of Jacksonville is hot on his heels with 66.4 pts. **Mike Smith** of Key-Athens is 3rd with 57.3 points while **Harry James** of Key-Greenville has racked up 55.5 points for fourth place. Fifth is occupied by the one and only **Louis Murray** of Instant Living on the Gulf Freeway. Good luck!

Randy Tappen **Albuquerque** **Nationwide**

Mike Wallace said this guy would be great and it looks like he was right. **Randy** had an incredible \$24,822 in Payable Gross in July on only 4 new homes. That was good for an impressive 42.0 points!

Sandy Arkelin **Tyler**

5 deals in July for East Texas' top performer. **Sandy** sold well because she wanted to make sure she had plenty of Bingo money on her Caribbean cruise. Keep it going **Sandy**!

Jack Williams **Jacksonville**

Cancun-bound **Jack** is also making sure that he has plenty of funds for his upcoming trip. He exploded in July for an incredible 4 homes and 36.3 President's Club Points.

Harry James **Key Greenville**

Harry, the General Manager of his location, also wore the hat of "top salesperson" for his lot in July. His 4 deals and \$18,217 in payable gross was 100% of his lot's production. Way to go, **Harry**!

The Entire Staff **Key Athens**

These home run hitters combined for an incredible \$7,697 average payable gross on their location. Way

to go, guys!

Tav Blankenship **Mesquite**

Four deals in August for the big man! By the looks of things, **Tav** has every intention of being on next year's trip, too. Don't forget your patches, buddy!

Janice Pickett **Mesquite**

The new girl on the block has decided to make an impact in the Metroplex. Her four deals in July were good for 20.4 President's Club Points. Keep it up, **Janice**, we can always use another star!

Don Blackburn **Lancaster**

Don made big things happen in July....4 homes sold....all of them new! That was good for 25.3 President's Club Points. Way to go, **Don**!

Rick Ladiski **Oklahoma City**

Remember this name, ladies and gentlemen. This will not be the last time that it will appear here. The new guy sold 3 new homes for \$15,891 in Payable Gross in July.

Dave Schwartz **Instant Gulf Fwy**

You knew he wouldn't stay out of this column for long...**Davemeister** exploded in July for an incredible 7 deals. His high grosses and strong product mix resulted in 53.1 President's Club Points. **Dave** has catapulted into first place in the quarterly contest and word on the street says that he has

some great carry over.

Louis Murray **Instant Gulf Fwy**

Louis has enjoyed working at Instant Living so much, he encouraged his brother, **August**, to come work there, too. Now, Gulf Freeway has twice the Murray Selling Power working to their advantage! While he wasn't recruiting, **Louis** (one of Palm Harbor's former top salespeople) found time to sell 4 homes in July. His average new home payable was a very strong \$6,151! Keep doing what you do, **Louis**. It works!

Dewayne Click **Midland**

5 Homes Sold in July! Whoa! **Dewayne** has proven himself to be of a different breed of salesperson. His consistency and professionalism continues to make a huge difference!

Sept. Training The Fred & Scwep Show

From September 14 through September 17, **Fred Townsend** will bring his enormously popular and successful "Basic Training 101" to the College of Family Housing's Lancaster facility. **Grayson Schwepfinger** follows this on September 21 and 22 with his "Features & Benefits" seminar. If any of you haven't seen Schwep name 20 features and benefits of a floor register, you've got to go. Word from **Chuck, Jr.** is that these classes are mandatory for all new hires. Make your reservations now!

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QUOTES OF THE MONTH:

"Those who hug illusions seldom embrace opportunity."

- Anonymous

"It is all right to forget your mistakes...if you remember their lessons."

- Anonymous

"Success is not measured by what you've done compared to others, but compared to what you're capable of doing."

- Zig Ziglar

"The Amateur thinks people want to feel important. The Professional know that they need to feel significant."

- Anonymous

"The trouble with most of us is that we would rather be ruined by praise than saved by criticism."

- Anonymous

"The secret to financial success is to spend what you have left after saving, instead of saving what you have left after spending."

- Anonymous

Laurie Lowery

A Product for Everyone

Over the last year our product mix has taken a new shape. Through our liasons with American Modern Home and American Bankers, we have been able to add a few products that will make our locations more profitable and more competitive with other dealers and agents. The following is a breakdown of products, old and new, that are currently available for sale at our dealerships: ARG/Gardian Physical Damage Insurance: Higher priced, higher commission product provided by AMH. It is only available to ARG dealers in Texas.

Regular AMH Physical Damage Insurance: Lower priced "dealer" product available in all states, also for use with price sensitive deals in Texas.

AMH Senior Elite Physical Damage Insurance: Loaded package at discounted premium available to "over 50" customers in Texas and New Mexico.

AMH Multi-Section P.D. - Like Senior Elite, this package provides 3 times the coverage for the same money, to owners of multi-section, hardboard homes located in designated parks. Available in Texas only.

Foremost & American Banker's P.D. - For use in price sensitive situations and in AMH restricted areas in Texas.

American Bankers Credit Life- Only available on Ford & CIT deals. This is an excellent value and can mean high profits for a salesperson and their location! American Bankers Home Buyers Protection Plan- This is a form of extended warranty which is available on new and used homes. It features a low premium, low deductables and even a payment plan option. Term Life -Also available upon request through Financial Security Life and U.S. Life. We know that none of you are in the business of selling insurance primarily. However, it does help to know what kind of services and products you can provide your customers should they request them or the situations warrants their sale. Please call us for more information or matierials on any of the above products if the need arises.

Diane Miller

More Tips from the our Resident Credit Pro

This is a continuation of the article which started in last month's President's Club Monthly.

I suggest that after comparing the credit bureaus and getting all credit references off the three bureaus, do the following: 1) Find the five largest installment credit references and list them on the credit application. 2) All other installment, open and revolving references should then be listed on a new additional credit reference form and should be sent along (continued next page)

EDITOR

Q&A

Dwayne M. Teeter
is the Editor of the
President's Club Monthly
and is Asst. Vice President
of **Nationwide Housing**
Systems, Inc.

Dear Editor,

Like many other locations, I am eager to have the new "Pursuit" sales tracking software installed on my lot. I have noticed though that you recommend at least a 486DX/33 for its most effective use. Why would our 286 not be sufficient?

Signed,
Antiquated in Texas

Because of the technical nature of the response you require, I turn over this question to my new computer guru, the SuperCenter's **Jim Taylor**...

Dear Antiquated,
Being a 80 megabyte (it's grown) relational database, Pursuit will require a math coprocessor, a 32 bit data path, and preferably local bus access to the hard drive, at least for optimal performance. Most 286's operate at a meager 12mhz which, needless to say, is hopelessly inadequate for a program of this size and complexity. Typically, their hard drives are no larger than 40 megabytes, also a figure which is not going to do the job. If you have any other questions, just call me out here at the supercenter. I'm currently setting up a bulletin board so I can be reached by modem.

-Jim Taylor

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Diane Miller cont'd.

Get that deal bought!

Facts about our Customers:

Satisfaction with Mobile Home Living:

Very Satisfied: 53%
Somewhat Satisfied: 34%
Somewhat Dissatisfied: 9%
Very Dissatisfied: 4%

Years Ever Owned/Lived in a Mobile Home:

Less than 5 yrs: 18%
Five to Nine yrs: 30%
Ten to Ninetenn yrs: 39%
Twenty or more: 13%

Annual Household Income:

Less than \$10,000: 18%
\$10,000-\$19,999 32%
\$20,000-\$29,999 26%
\$30,000-\$39,999 14%
\$40,000 and over 10%

Household Members:

1 Member 27%
2 Members 36%
3 Members 16%
4 Members 14%
5 Members or more 7%

with the front and back of the credit application and any explanations.

Always get a credit release signed by the customer listing your company's name and ALL lenders that you are using at the time.

Many lenders now will not release any credit information on a customer unless they physically go down to the bank and sign a release. If you have this form signed, all you have to do is fax it to the lender and they will release credit information either by phone or by fax. Keep in mind that when a lender receives a request for credit history information, it is a low priority for them to get done.

As a result, in a very diplomatic way, it is important for you to establish a relationship.

You never know when you will need informatin from this lender again. Keep each bank's phone number, fax number and the name of the person who originally helped you. That way, you have all of the information that you need on a rolodex card.

Once your application is completely filled out, pull one bureau to see if their credit is good or bad. If it looks alright, pull the others. It is a wild guess which bureau the lender will pull. So, if you can see all three you will have no

surprises when the lender calls you back. Also, all credit bureaus can be totally different. If your lender is pulling a TRW and there are only two credit references on it, you might lose getting an approval if you have not listed the additional eight credit references showing on the CSC. Don't forget to include phone numbers for direct checking!

Additional Services Provided by the Bureau Companies

There are services available through each credit bureau that will be helpful in doing direct checks with lenders that are reporting to the bureau and getting phone numbers to put on the credit application. These services are listed below:

CSC-CBI-Equifax 1-800-753-1312

On Line Directory-a service which lists phone numbers of all lenders reporting to the bureau and inquiring on bureau.

TRANS UNION 1-800-733-0585

LOOK-Serves same purpose.

TRW

1-800-831-5614

DIRECT CHECK-also for phone numbers.

Watch out for the Extras!

On TRW, most offices were

automatically set up to have the summary and National Scoring on their bureaus. Most people do not realize that this costs extra money. If you don't use it, cancel it.

I suggest that all offices get set up with all three bureaus. By looking at all three, you might see that the information reported varies from bureau to bureau. One may show an account as paid as agreed while the others show varying degrees of delinquency. Direct check these accounts and find out the truth up front. Also, become familiar with what bureau each lender pulls. Each office can call the above national numbers if they do not know who their local representative is to each bureau.

Can I show the bureau to the customer?

You are able to discuss with and show the CSC-CBI-Equifax bureau with the customer. With Trans Union and TRW, it is not allowed per contractual agreement.

When I was working with the credit bureau and out visiting the retailers, there were many times that I heard "it's too much work!," "I don't have time!," or "no lender is going to look at all of that stuff!." If it gets us one or two more marginal deals a month approved and delivered, isn't it worth it?

Editor's Note: Copies of Diane's credit release form, credit rating form, and additional credit form have been put in everyone's mail