

President's Club Monthly

3rd Quarter '99

Newsletter for Retail Division of American Homestar

Vol. 1, Issue 5



Beautiful Lot #163 in Lexington, South Carolina. See story on page 7.

HOME 2000 HOME RUN

The Total Home 2000 has not only come out of the chute with a bang, it's soared to the top of the charts. This new model represents 50% of the production out of the Burleson, Texas Manufacturing Center, a key supplier for the company's core Southwest Market.

Rolling out a new model and stocking it on 52 sales centers almost guarantees some level of success. But how do you make this happen and then retail 108 homes in less than 4 months? Just follow the recipe that's proven successful over the past 2 years.

Integrated Marketing - Recipe For Success

- Start with product research.
- What's selling?
- Is there a price/design niche not covered?
- What are the retail customers telling the sales staff?
- What has the competition done recently that works?
- Bring together a Team that crosses all Divisions to develop the product, price strategy and marketing.
- Design a World Class marketing campaign built around the product's unique features.

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WEB SITE MARKETING UPDATE

An estimated 40% of the U.S. population now has Internet access and approximately 64,000 are signing up for Internet service each week. The Internet will effect business comparable to the way the world was affected by the discovery of the printing press. This impact is already beginning to be felt at American Homestar as we experience loan pre-approval and brochure requests via email at each sales center.

Here are some facts about our site:

- 25984 "hits" recorded in March!
- 227 email Brochure Requests received in March!
- 148 email Loan Pre-approval Requests received in March!
- Sales reported as a direct result of the web site!

YOU ARE NOW A WEB MASTER!

Nationwide is the only national retailer that has a web site for every sales center. Use this as a tool with your prospects. Ask everyone that comes in, "do you have access to the Internet?" Many people don't have a computer at home but surf the net at work or on WEB TV. If they have Internet access tell them to visit your web site and visit americanhomestar.com to find out about the company. They can also get to the American Homestar site by using oakcreekvillage.com or nationwidetour.com.

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NATIONWIDE'S 3Q TOP PRODUCERS

Top Payable Gross Sales Centers

1 #51 Lancaster, TX	GM, Don Simonson
2 #90 New Braunfels, TX	GM, Billy Cox
3 #34 Bryan, TX	GM, Doug Birdsell
4 #64 Spring, TX	GM, Dan Robertson
5 #60 Mesquite, TX	GM, Dave Shetler
6 #97 Austin, TX	GM, Dennis Williams
7 #43 Jersey Village, TX	GM, Dave Schwartz
8 #48 Ft. Worth, TX	GM, Carrie Shipp
9 #35 Ft. Worth, TX	GM, Ed Sampson
10 #78 Denton, TX	GM, Jack Smith

Top New Home Unit Sales Centers

1 #51 Lancaster, TX	GM, Don Simonson
2 #60 Mesquite, TX	GM, Dave Shetler
3 #34 Bryan, TX	GM, Doug Birdsell
4 #43 Jersey Village, TX	GM, Dave Schwartz
4 #64 Spring, TX	GM, Dan Robertson
4 #90 New Braunfels, TX	GM, Billy Cox
5 #48 Ft. Worth, TX	GM, Carrie Shipp
6 #26 Abilene, TX	GM, John DeRouen
7 #78 Denton, TX	GM, Jack Smith
7 #93 Pflugerville, TX	GM, Trey Webb

Top Payable Gross Salespeople

1 Charles Jerger
2 Brian Hopper
3 Agustin Fregoso
4 Matt Tatum
5 Bobby Bitner
6 Chris Allen
7 Pam Ruby
8 Robert Solomon
9 Richard Jones
10 John Veltkamp

Top New Unit Salespeople

1 Charles Jerger
1 Brian Hopper
2 Agustin Fregoso
3 Danny Williams
3 Pam Ruby
4 David Pritchett
5 Chris Allen
5 John Cook
6 Matt Vandervoort
6 Alan Middleton



**Big Efforts
Lead to Big
Trips!**

Mobile Home Expansion

From Houston Business Journal, week of March 5-11, 1999

American Homestar Corp. agreed to buy 25 percent of the common shares of mobile home company HomeMax Inc., a unit of Zaring National Corp.. Homestar will also make a subordinated loan to HomeMax convertible into another 25 percent of Home Max's common stock. In addition it will receive an option to acquire the remaining 50 percent of the stock after three years at a pre-defined price. American Homestar will manage and direct the operations of HomeMax, which operates 12 retail sales centers in North Carolina, South Carolina and Kentucky.

Did You Know?

With the acquisition of R-nell and Gold Medal Homes in December, American Homestar's manufacturing division grew to 14 plants and 15 assembly lines. The new Cherryville dual line plant is considered one of the largest and most modern in the industry, with a capacity to build as many as 22 floors a day.

WELCOME NEW GMS

#1	Andy Slaughter *promotion
#2	Bill King *promotion
#4	Lonnie Teal
#17	Scott Stone
#42	Art Carreon *promotion
#47	Matt Tatum *promotion
#54	Charlie Pahira
#56	Dale Armstrong
#57	Toby Cooksey *promotion
#66	Pat Shanahan
#69	Shannon Collum
#70	Keith Crawford * promotion
#82	Jeff Mattingley *promotion
#83	Helen Palmer
#87	Terry Martin
#96	Jimmy Fannett
#162	Richard Smith
#163	Ron Sluder
#165	Don Atkinson

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A Home 2000 Story With A Happy Ending - A Case Study

Facts

A prospective manufactured home buyer was checking out retailers on the Internet when he ran across the Home 2000 "Special" featured on our website. Mr. Prospect is a retired military type now working in a civilian computer support position in a small city near a military base. He loved the technology features and computer room designed into the Home 2000 pictured on our site. Mr. Prospect next located the sales center nearest him (#27 Lorena) from the Web directory and faxed them an information request. After several phone conversations the sales staff convinced Mr. Prospect to drive out of his market area, which has a large number of retailers, and visit our location. Upon touring the Home 2000 he fell in love with it and began the ordering process. He wanted nearly every option package offered and this pushed the price into the \$75,000+ range. While working out the details on his Home 2000 Mr. Prospect toured the Oak Creek Meridian. Based on the price of the Home 2000 with all the options, he switched homes and paid \$90,000 for a new Meridian with all the residential features.

Summary

This is a classic example of the power of Integrated Marketing in a Vertically Integrated Company.

First Observation:

The prospect was reached through the Internet, the newest media channel and one the competition doesn't offer.

Second Observation:

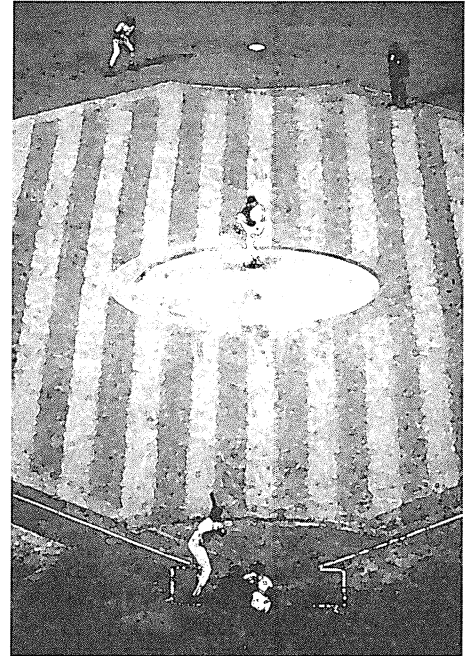
The message (offer) communicated on our web site was strong enough to elicit action from the prospect.

Third Observation:

It was easy for the prospect to take action. He could reach us by phone, email, or fax.

Fourth Observation:

The ability of the sales person handling the fax and returning the call is what ultimately made the sale.



HOME 2000 HOME RUN Cont. from page 1

- Train the retail sales force on the products Features and Benefits, Campaign rational and pricing strategy.
- Communicate campaign/product goals to all levels.
- Kick off the campaign with a sales incentive tied to the theme.
- Provide on-going support and enthusiasm.

The Home 2000 strategy is bigger than the product itself. It accomplishes a number of objectives that lead to more sales and better profit margins.

- It builds traffic.
- Separates us from the crowd.
- A great feature/benefit sales force training opportunity.
- Offers our customers more choices.
- The Home 2000 Option packages such as the Home Theater, tangibly demonstrate our total product quality versus the cheesy Oakwood and Clayton Dream Home packages and their jiffy pop construction and lower standard features level.

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YTD STANDINGS thru 2/99

General Managers

Don Simonson	2136
Carrie Shipp	1500.5
Dave Shetler	1410
John DeRouen	1215.5
Mike Levin	1203
Dave Schwartz	1160
Bill Straub	1100.5
Ashley Pierson	1099.5
John Wells	1030.5
Jack Smith	997
Dave Davis	968.5
Mitch Brown	965.5
Trey Webb	880
Dennis Williams	874
Billy Cox	861
Jim Tierney	851.5
Ed Sampson	829
Atley Turner	786
Leon Dooley	747.5
Peggy Savant	737.5
Rick Crosby	731.5
Fred McDonald	710.5
William Coyle	664
Richard Aranda	626
Joe Bellamy	617

Business Managers

Christine Baker	1054
Trudi DeRouen	728.5
Terri Raymond	690
Cathy Jackson	596
Don Evon	591
Tim White	591
Ronnie Alvidrez	580
Steven Williams	531.5
Rick Davis	515
Danny Rudd	484.5

Office Managers

Kim Stafford	785
Gracie Hernandez	757.5
Joe Carreon	732
Sherri Sterling	715.5
Devra Norton	642.5
Dottie Moore	608
Chandra Pannell	577
Linda Toombs	535.5
Betty Haney	495
Thelma McLamb	486.5
Mary Gamboa	454
Toni Taylor	450.5
Kathy Ramey	446.5
Charlie Hornberger	380
Laurie Davis	365.5
Chere Kelley	342
Mark Pell	340.5
Cindy Garcia	338
Jennifer Madden	317.5

Tammy Daugherty	316
Saundra Foy	291.5
Rene Lopez	283.5
Lorenzo Hernandez	271
Connie Snyder	265
Barbara McCallister	259.5

Salespeople

David Pritchett	913.6
Doug Birdsell	895.69
Charles Jerger	887.72
Matt Tatum	717.66
Chris Allen	639.80
Eric Howell	635.42
Vincent Barbour	614.70
Danny Williams	603.86
Robert Emfinger	602.56
Chad Lake	601.30
Lisa Dupre	576.09
Jo McBride	555.46
Martin Zera	540
Bobby Basham	534.65
Alan Middleton	521.56
Shannon Munns	510.53
Craig Johnston	500.80
Robert Solomon	498.35
Brian Hopper	490.10
Agustin Fregoso	487.85
James Morrison	476.10
R.D. Thomas	469.32
Toby Cooksey	468.48
Michael Thiessen	465.47
Richard Eudaly	464.38

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Awards:	Gold Level	Gold PC Watch
	Silver Level	PC Clock Plaque
	Bronze Level	PC Certificate
1st PC Trip:	Gold Level General Managers Top 20 Salespeople Top 3 Business Managers	
2nd PC Trip:	Remaining Gold Level Salespeople Remaining Gold Level Business Managers Top 5 Office Managers	
Eligibility:	Points prorated for Hire Dates between 6/1 & 11/30 Prorated participants are not eligible for 1st PC Trip	
GM Program:	Gold = 1350 Silver = 1200 Bronze = 1050	
Points:	5 pts. per New Home Unit Sold 3 pts. per 21st Century Deal 3 pts. per Rate Upsale 2 pts. per \$1,000 Pre-Tax Profit Insurance Penetration pts: PD - 85+% = 10 pts CL - 70+% = 30 pts ES - 90+= 10 pts 60 - 69% = 20 pts 80 - 89 = 7.5 pts 50 - 59% = 15 pts 70 - 79 = 5 pts 40 - 49% = 10 pts 60 - 69 = 2 pts	
Sales Program:	Gold = 750 Silver = 625 Bronze = 500	
Points:	5 pts per New Unit Sold 5 pts per 21st Century Deal 5 pts per 21st Century Buy Back *25 Bonus pts - Top Gun 3 pts per Rate Upsale 3 pts per Credit Life Policy 2 pts per \$1,000 Payable Gross Fast Start points (same as Business Manager)	
BM Program:	Gold = 1000 Silver = 900 Bronze = 800	
Points:	5 pts per 21st Century Deal 3 pts per Rate Upsale Insurance Penetration points (same as GM) Fast Start: 5 pts per deal in HO by 15th, 2.5 pts per deal in HO by 20th	
OM Program:	Gold = 800 Silver = 700 Bronze = 600	
Points:	Insurance Penetration points (same as GM) Fast Start: 10 pts per deal in HO by 15th, 5 pts per deal in HO by 20th 1 pt per 21st Century Deal	
Bonus Money:	\$25 for each deal in HO by 15th \$15 for each deal in HO by 20th \$20 for cash deals, floor plan paid in 7 days	

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FOCUS ON SINGLE SECTIONS

Recognizing a significant opportunity exists to increase the sales of single section homes, a special program has been introduced in all markets. This program will produce incremental (plus) business for manufacturing, retail, finance and insurance without any reduction in margins on multi-section sales.

Single Section Program

- Retail pricing is being adjusted on all singles. No longer will we automatically set Model Value pricing at maximum advance.
- Competitively priced single section specials have been rolled out by the Lancaster, Brilliant, and Gold Medal Manufacturing Centers.
- A fixed retail sales price has been set for the special models.
- Only a limited offering of popular options are available on the specials.
- Financing options with down payments as low as \$500 are available.
- Local promotions and advertising will feature the single section special.
- Display models will not be sold, all homes will be factory ordered. Single sections represent a huge opportunity for unit sales increases. Be certain you are taking advantage of this program. Any questions, call your Regional Vice President or Ronnie Richards in Marketing.

As the official Web Master at your sales center you have certain responsibilities. Here's a quiz to help you determine if your sales and marketing program is web savvy.

WEB MASTER - GM QUIZ

(A short quiz to see if will be a winner or loser at Internet marketing. Just answer "Yes" or "No.")*

1. Have you visited your sales center web site?

2. Have you printed out your web site pages, reviewed them with your sales team and placed them in a ring binder for easy reference?

3. Do you include your web address in all of your advertising.

4. When a prospect emails you through your site do you respond back within 2 days?

5. If you receive a brochure request or loan application from a site visitor that is a great distance from your sales center, do you contact them to confirm they are relocating to your area before forwarding the lead to a nearest sales center nearer to the prospect?

6. Do you follow up by phone, mail, and email on every web prospect?

7. Is every email reviewed by GM, and logged into Tracker as ad source "Web?"

8. Do you inform your walk-in prospects and phone ups that you have a web site?

9. Do you include your web address on mailers and customer correspondence?

10. Do you place line ads with only your email address and a short message such as; Free brochures on the web at Loan approvals on line at [Mfghome.net / nationwide-77mfghome.net/oakcreek-31](http://Mfghome.net/nationwide-77mfghome.net/oakcreek-31)

To see how you scored give yourself 10 points for each "YES" answer.

Honorable Mention

A recent Tracker class at the MIS headquarters in Austin became very scary when Denton, TX Service Manager Frank Shepherd suffered a heart attack in class. Tracker instructor Dwayne Teeter called 911 and stayed with Mr. Shepherd through the ordeal until his family could be by his side. Luckily, Frank has recovered and is doing fine. RVP's Jack Maxey and Robby Golden were told of the incident and wanted to make sure that Dwayne was recognized for going above and beyond to make sure his student had the support he needed. "Dwayne represents the caliber of people we have in this organization and I am proud to be associated with him", commented Robby Golden.

Marketing Tips on How to Avoid Home Y2K Mistakes

The presentation and pricing strategy for the Home 2000 is critical. Here are some tips:

- The Home 2000 can be sold for as little as \$59,995 and with options, for as much as \$79,995. Don't disqualify any buyers in this range.
- Just because your display model home has lots of option packages, don't price it that way!
- The home should be priced \$64,950 in most markets. This includes a few basic options such as the built in cabinet for the home theater system, computer room option, a wood burning fireplace, 3 ceiling fans and one Total Option Package at \$2,000.
- Total option packages are priced at \$500, \$1,000 and \$2,000. Sell these based on monthly payments of \$5, \$10, and \$20 respectively.
- Treat the home as your Model Home Display Center for Options! Show it to every multisection customer and let them know that the options are available in most other models.
- Remember, the Home 2000 series has special standard features that are upgrade options on other models.
- More than one floor plan is available. Use the literature and cover all design options.

Riders In The Sky In Concert!

May 2, Boise, Idaho
June 2-3, Durango, Colorado
June 5, Louisville, Kentucky
June 26, Mesquite, Texas
July 3-4, Las Cruces, N.M.

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Denton, Texas Makes Room For Another Powerhouse

OCV #19 in Denton Texas quietly opened its doors for business on Saturday, January 30th with a limited staff of three salespeople and GM, Brian Shear. With 22 new homes to show, spirits were high and expectations were big for what the weekend would bring. However nobody was prepared for what happened! The first customer pulled in at 10:30am having just shopped the competitor promotion across the highway. From that moment until the doors were closed on Sunday evening, it was non-stop customers. Bathroom breaks and meals were non-existent. Staff family members were called upon to bring food and new shoes for staff. When the dust settled, a total of 26 clients were assisted and 7 were converted to sales. Amazingly, the very first home sold was to a Sanger, Texas couple by the name of "Teeter". So far no connection has been found to our Teeter family, but what a sign of great things to come for this location!

As of this writing, plans are underway for a tremendous Grand Opening sometime in late April. Until then, we will just have to settle for what stumbles in the door!

Welcome Aboard to #162, #163 & 165

Nationwide/N.C. Homes announces the Grand Opening of their 1st three South Carolina locations, lot #162, located in Berkeley County, a suburb of Historic Charleston, lot #163 located in Lexington, a suburb of Columbia and #165 in Sunter. The nine acre environmental display center in Berkeley County has attracted lots of attention in the Low Country and the 8/12 acre lot situated close to downtown Lexington should do the same. Great teams, great Company, great products! All celebrated their Grand Openings April 9, 10, & 11.

The Store 75 Success Story

Starting in August 1998, Oak Creek Village began struggling like most of the Albuquerque dealers. The New Mexico market was becoming more and more flooded. Today, there are more than 75 retailers in a 30 mile radius and more than 35 on Central Avenue alone, making this one of the bloodiest markets in America.

Everyone had cheaper homes or a better finance program or lower down payments but, they didn't have what we had - good people with a super business personality. We decided to sell ourselves then our product. Next we made sure our homes always look great. They're clean, decorated and skirting. Our location is very old so we gave it a light face lift which was expensive but it paid off. Our curb appeal is terrific. And, we have done an outstanding job in service. Incremental but significant improvements in all our departments has equaled success for us.

The final element is our team, from the our Lot Person to our top salesperson. We've weathered so many storms but through it all there is always someone there to care and make you feel like cranking again.

The key personnel whom put us back on our way to the top is headed by Liz Barela, Joan Kingston, Vicki Ballew, Rich Hamilton and Kenny King. These are great people as well as sales professionals.

A special thanks to our behind the scenes crew: Renee Bouma and Beatrice Aguirre, Service Manager Ramon Barela, Francis Shorthair, Decorator/Cleaner Precilla Gabaldon, who keeps our homes looking great. And to our great contractors Bar III Constructions, A3J Transport and Rigo Cardinas. We cannot forget Norbert Galbadon our GM and 16 year mobile home survivor, who completes the team. According to Norbert, running a sales center is like running a NASCAR team.

You must have super people from the guy who washes the car to the guy who built the car, all the way to the person who will drive the car to victory lane. Any mistakes in any department and you won't even finish the race. It is that hard but victory is so great.

As the old saying in racing goes, "You can have the best car in the world but if you do not have a driver and a team who can run it to its limits you will never win any races". We got the team and are on our way to the top in a very rough market. Thanks for the special recognition and you should be hearing a lot about Oak Creek Village #75 in the '99 season.

Maximising Your Web Marketing Efforts

You can maximize your web marketing efforts by following a few simple steps.

1. Include your web address on everything; Business cards, newspaper ads, mailers, letters, and banners.
2. Advertise your web address by itself as a line ad.
3. Check your email 3 times daily.
4. Make certain the Office Manager gives the GM every email lead.
5. Log leads into Tracker as Source "Web Site" and assign to a sales person.
6. Contact each web prospect immediately by email with a message such as, "Thank you for visiting our web site. We have received your brochure request (or loan pre-approval request) email and will forward the requested information....."
7. Encourage every prospect that visits or calls to log on to your site.
8. Customize your web site, use a photo of your sales center (mfghome.net/oakcreek-19 is a good example.)
9. Include a listing and photos of pre-owned homes on your site.
10. When an inquiry is received via email from your site, always respond by email as well as snail mail and phone.
11. Forward any leads out-of-area to the nearest sales center or to sales@hstr.com.

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We Love Lucy

GM Carrie Shipp's sales center #48 in Ft. Worth, Texas is home to a unique traffic stopper...a pink 1948 8x24 Stewart mobile home loving called "Lucy". Here's what Carrie had to say about her roadside display:

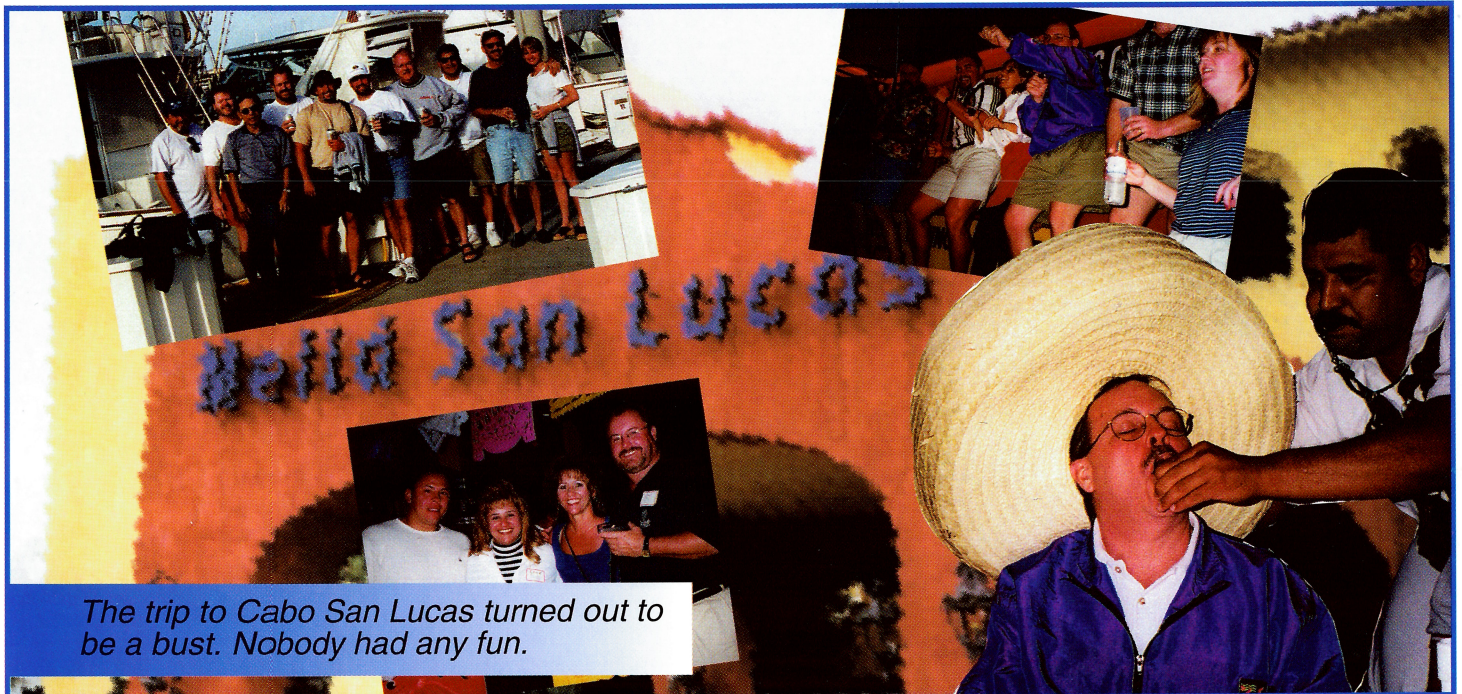
"I bought it for \$1.00 and put \$5,000 into the home to use as a display for our customers. I was trying to show them that we are no longer mobile homes but manufactured housing and that we've come a long way in 50 years. Lucy sits next to our 1999 Oak Creek Model 1065 with a banner that says "Lucy's Come A Long Way Baby". We used the home at our Grand Opening in March 1998. She definitely stops traffic and everyone knows the lot on Jacksboro Highway with the pink and white trailer." By the way...you too can have a "Lucy", she's for sale for \$25,000.

FROM THE EDITOR

Special thanks to the PCM contributing writers:

Ronnie Richards, Brian Shear, Carrie Shipp, Paula Kaiser, Ron Sluder, Norbert Galbadon, and Mike Davis.

Please forward performance related articles and pictures to Laurie Lowery c/o Rachel Walker at the Houston Home Office. **Thank You!**



The trip to Cabo San Lucas turned out to be a bust. Nobody had any fun.