



Tim Connolly

tim@timothyconnolly.com

6015 Old Stratford Court
Alexandria, Va 22315

703.201.1708

<http://www.Timothyconnolly.com>

"Never use your mind to creatively imagine or figure out why you won't succeed, or to put limitations in your way."

"If you are going to doubt anything, question your own fears and limitations."

Expertise Summary

Customer Service- From Unacceptable to Outperform

Historical Background

To fully appreciate the magnitude this customer service challenge represented, and the importance of its removal as a critical business obstacle, a little background perspective is warranted. In the last residential building "boom" cycle of 2004-2006 many large, successful national builders employed contractual language in their sales contracts essentially requiring in many cases, that purchasers secure mortgage financing through the builders mortgage finance arm. Toll Brothers having been very successful in building upper-end homes and know as "America's Luxury Home Builder" also employed similar language in their sales contracts. In industry terms, this practice is referred to as having a "Tied Incentive". Key word- "Tied". While this may seem very restrictive and un-friendly towards purchasers, the first objective was to ensure a qualified, fully approved purchaser was in fact who they where building a home for. Another important point is: Toll Brothers does not build "spec" homes; that is to say, they do not speculate or assume a willing, qualified buyer will appear once a home is complete. That business model of not spec building has served Toll very well in both periods of growth and during down cycles. The second objective was of course, to create an additional profit center.

Customer Service vs. "Captive Customers"

A purchaser, who has become a captive customer by virtue of a contract purchase price incentive, potentially contains ingredients for poor customer service. Left unchecked, unacceptable poor customer service grew to be the norm for TBI Mortgage's South East Region. This was by no means, a revelation considering the conditions existing for a time in the SE Region. While tied incentives in and of themselves do not create poor customer service, two other ingredients need to be present. Those two are- ineffective management and a relationship destructive mind-set of employees. Upon my arrival at TBI in July 2007, poor customer service had become so problematic that it was destroying the credibility of TBI Mortgage with not only customers but, Toll Brothers as well. A drastic, immediate direction reversal was my first priority. Next, we will examine TBI's volatile environment of perception prone to failure caused by core beliefs.

Belief In Conflict With Motivation

With the flood of new Toll Brothers customer's captive to TBI Mortgage, it was an overwhelming task at times to handle the volume of business. It's was easy for a Mortgage Loan Specialist, aka MLS, (loan originator) to loose sight of the importance of great customer service when both their physical capacity and customer relationship skills had been reached. A basic mental premise of the MLS was- "*They (customer) cannot leave us. If they do, they will loose the \$XX,XXX incentive*". This prevalent disposition soon became the primary source of all service related issues. While volume did have some effect on service levels, it was the core beliefs MLS's held driving their viewpoint of what constituted customer service. External motivation to alter the MLS's behavior enticing acceptable customer service was through TBI's compensation policy. Compensation alone proved to be a temporary fix, and of marginal value. My solution was to create a powerful combination utilizing long-term, sustainable, effective behavior modification training along with a fair compensation policy. The resolution to TBI Mortgage's great customer service was obtained through a melding of ongoing, extensive customer service training which primarily focused on relationships and perception through awareness, along with an enhanced business model emphasizing accountability.

The End Result- Success!

As with any long-term self sustaining results, they must contain key fundamental components- individual awareness and a desire to serve a greater need. As TBI Mortgage experienced, financial compensation alone will not achieve these types of results. The following page shows "before and after" Customer Service Score Cards. Quarterly Score Cards represent cumulative customer responses from a survey with nine questions provided on the purchase settlement date. The Score Card result for Q1 2009 jumped from 3.27 to 4.41 showing a transformed environment. They also reveal the MLS's personal perception changes towards themselves and others which effected customer service. Noteworthy is the fact- Toll Brothers removed the contractual "Tied Incentive" requirement in July, 2007. Although no longer having a "captive customer", TBI's business capture rate increased even when facing extreme competition and capital markets volatility that existed. In closing, removing poor customer service as a critical business obstacle was achieved by a systematic process of specialized, focused training and daily application of new skills which changed the MLS's actions through raising their awareness. Creating an environment that fosters accountability, cooperation and goodwill of all parties starts first with competent, open-minded people.

Components of Change

- ✓ *Quarterly Specialized Customer Service Training* Module example click here-[http://www.timothyconnolly.com/resources/ABC\\$27s+of+Customer+Service.pdf](http://www.timothyconnolly.com/resources/ABC$27s+of+Customer+Service.pdf)
- ✓ *Daily mentoring and peer performance reviews*
- ✓ *Monthly MLS meetings with open forum segments*
- ✓ *Live customer contact tracking & reporting*
- ✓ *Modified compensation policy*
- ✓ *Removal of Tied Incentives to TBI Mortgage in Toll Brothers Sales Contracts*

Customer Satisfaction Reports. Before & After

- ❖ TBI Mortgage Customer Satisfaction Report Q3 2007 (May, June, July 2007)
- ❖ Customer survey consisted of a series nine questions scored 1 (poor) to 5 (excellent). Customer Survey response rate was 84%
- ❖ Mortgage Loan Specialist "MLS" average Overall Rate was **3.39**. TBI Mortgage Overall Rate was **3.27**
- ❖ Maximum possible score is a 5

TBI Mortgage Customer Satisfaction Report														
MLS Scores - 3rd Quarter FY 2007														
Name	Area	Months Originating	LO Describe Process	LO Return Calls	LO Rate Overall	LP Describe Process	LP Return Calls	LP Rate Overall	Closing Docs Accurate	Closing Rate Overall	TBI Overall Rate	1sts Closed	# of Surveys	Response Rate
SE Region - MLS Average Scores			3.51	3.38	3.39	3.23	3.36	3.32	3.53	3.74	3.27	232	194	84%
Group Summary - ISM John Buczek - Avg. Scores			3.77	3.83	3.80	3.67	3.80	3.87	3.97	4.23	3.83	44	30	68%
Mason, Chris	FL, NC, SC	16.8	4.00	3.92	4.00	3.58	3.75	3.75	3.92	4.33	4.08	17	12	71%
Bernhard, Gideon	FL, NC, SC	9.3	3.60	3.80	3.80	4.20	4.40	4.20	3.80	3.80	3.80	7	5	71%
Convey, Tom	FL, NC, SC	8.6	3.20	3.20	3.20	3.20	3.20	3.80	3.40	4.20	3.20	6	5	83%
Purdy, Keith	FL, NC, SC	8.8	3.00	3.50	3.50	3.50	3.50	3.50	4.50	4.50	3.50	2	2	100%
Geremia, Adam	FL, NC, SC	7.9	4.17	4.33	4.00	3.83	4.00	4.00	4.50	4.33	4.00	12	6	50%
Group Summary - ISM Rick Tashjian - Avg. Scores			3.46	3.29	3.32	3.15	3.27	3.22	3.45	3.65	3.16	138	164	119%
Antuna, Rafael	FL	8.8	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1	1	100%
Argueta, Hugo	FL	8.6	2.67	3.00	3.00	3.00	3.00	3.00	3.67	4.00	2.67	3	3	100%
Wagoner, John	MD	12.0	3.14	3.00	3.18	2.41	2.84	2.59	2.95	3.09	2.88	28	22	85%
Summers, Jennifer	MD	12.0	4.26	4.11	4.11	3.95	4.16	4.11	4.21	4.26	4.05	20	19	95%
Lively, David	VA	12.0	3.33	3.24	3.24	3.00	3.05	2.95	3.62	3.86	3.10	21	21	100%
Hoegg, Liz	VA	12.0	4.00	3.81	3.78	3.50	3.50	3.50	3.94	4.06	3.72	21	18	86%
Pincus, Andrew	VA	12.0	3.00	2.62	2.59	2.69	2.76	2.69	2.72	3.07	2.62	32	29	91%
Sekhon, Gurmeet	VA	10.0	3.35	3.04	3.09	3.30	3.26	3.35	3.09	3.48	3.13	29	23	79%
Bame, Doreen	VA	10.9	3.64	3.82	3.64	3.64	3.82	3.73	3.91	4.00	3.09	13	11	85%
Hill, Kristen	VA	6.2	3.73	3.93	3.80	3.40	4.00	3.67	4.13	4.13	3.53	18	15	83%
Guiliani, Roger	VA	8.2	3.50	3.00	3.50	3.50	3.00	3.50	3.50	4.00	3.50	4	2	50%

- ❖ TBI Mortgage Customer Satisfaction Report Q1 2009 (November, December 2008, January 2009)
- ❖ Customer survey consisted of a series nine questions scored 1 (poor) to 5 (excellent) Customer Survey response rate was 82%.
- ❖ Mortgage Loan Specialist "MLS" average Overall Rate was **4.44**. TBI Mortgage Overall Rate was **4.41**
- ❖ Maximum possible score is a 5

TBI Mortgage Customer Satisfaction Report													
MLS Scores - 1st Quarter FY 2009													
Name	Area	LO Describe Process	LO Return Calls	LO Overall Rate	LP Describe Process	LP Return Calls	LP Rate Overall	Closing Docs Accurate	TBI Overall Rate	# 1sts Closed	# of Surveys	Survey Return Rate	
SE Region - MLS Average Scores			4.32	4.40	4.44	4.43	4.47	4.46	4.50	4.41	83	68	82%
Mason, Chris	NC	5.00	5.00	4.75	4.25	4.50	4.25	4.50	4.75	6	4	67%	
Schluth, Donna	FL-Jac	4.63	4.75	4.75	4.63	4.75	4.75	4.88	4.75	9	8	89%	
Hege-Pfister Charlotte	FL-E&W	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5	4	80%	
Kraus, Jason	SC	4.78	4.78	4.78	4.67	4.56	4.56	4.22	4.67	9	9	100%	
VanSciver, Aaron	MD	3.50	3.75	3.50	3.75	4.00	4.00	3.50	3.25	8	4	50%	
Mollica, Irene	MD	3.50	3.50	3.93	4.14	4.07	4.14	4.29	3.86	16	14	88%	
McFaul, Amanda	VA	4.40	4.80	4.60	4.20	4.80	4.60	4.80	4.60	5	5	100%	
Nogowski, Tim	VA	4.64	4.73	4.73	4.55	4.64	4.64	4.55	4.64	13	11	85%	
Brockington, LaGuardia	VA	4.22	4.22	4.22	4.56	4.33	4.33	4.78	4.44	12	9	75%	