



# LAST WORD

## Our Customer's Experience: Ordeal or Opportunity?



By Jim Mahoney



### Why we need to focus on enhancing our sales process at every turn

We've all seen the commercials on TV showing us the shiny new vehicle of our dreams and telling us how easy it is to buy. There's the "sign and drive" pitch, the "zero down" offer, the "we pay your first year's payments" deal, and other tantalizing offers designed to get us in the showroom.

But once you appear on the car lot, we all know what really happens. First, a smiling salesperson shows up and tells you how easy he is going to make your purchase. He will go over the numerous models and mind-numbing list of options.

After narrowing down your selection, he won't tell you at what price the dealer will sell you the car, instead asking what you are willing to pay for it! Then, after your initial offer is presented, the "sales manager" shows up and tells you how they can't possibly sell the car for your offer, as they would be losing money and blah, blah, blah. Sometimes another manager shows up to join the negotiations and help wear you down.

When you finally agree to a price, and you think the ordeal might be coming to an end, it's on to the finance officer who, besides finalizing your paperwork, is there to try to sell you a few more add-ons.

By the time you drive off in your dream car, instead of being excited about your new purchase, you are just relieved to have the whole ordeal over!

This is not a great or even good customer experience, and it is little wonder that the car sales industry has such a poor reputation.

**HOW IS THIS RELEVANT TO THE REVERSE MORTGAGE INDUSTRY?** We have the opportunity to make the customer experience excellent or we can ignore the challenges and let it be difficult and unpleasant. We must make taking out a HECM the best experience possible.

We start with an older client who is probably unfamiliar with the process. Then, we discuss their various options, which can often appear as a blizzard of numbers, and, of course, the multiple and confusing required disclosures.

Now with Financial Assessment, we need the customer to provide financial information so we can qualify them and send them off to counseling—another experience out of our control that can add to the customer's fatigue.

After counseling and an application, the lender's team takes over with more personnel—loan processor, underwriter, closer—and this relatively inexperienced customer has to deal with appraisers, inspectors, title searches and repair bids, which can be tedious and intimidating.

Unlike the car industry, which has a choice in how they develop the sales process, we are given a mandate by HUD and the regulatory agencies in how a loan is originated. The car sales process takes hours, whereas our process takes weeks and can be a great source of frustration and dissatisfaction.

Years ago at Financial Freedom, we performed research on our "canceled" loans and found that 25-30 percent of the cancellations were due to the customer's fatigue with the process. At just a few days away from closing, these people said they were just plain worn out. This was incredibly revealing to us and illuminated the need to really focus on the customer experience from start to finish.

For our industry to succeed, it is critical for us to focus on the best customer experience possible by limiting the number of people the borrower has to interact with; providing easy-to-understand checklists of the steps to come so the customer can follow along and not feel in the dark; providing possible solutions for problems when they arise; not letting too much time go by without communication; and, if they call you, making sure their questions always feel welcome.

The reality is that our product and process have become more complicated. Instead of complaining about it, let's embrace it and challenge everyone in the assembly line to find ways to improve communication and make the process simpler, more personal and more pleasant for our customers. With some creative energy and enthusiasm, a lot of wrinkles can be ironed out and customer experience improved.

With a better customer experience, our satisfaction rate (not to mention our conversion rates) will go even higher, referrals will be easier, the PR folks will have even more good things to write about and, most importantly, our customers will be able to truly enjoy a secure retirement! ■