

2004 Pacesetter Awards Customer Service

As a land developer, Michael Cook saw firsthand the damage that bad customer relations could have on a building company. He'd invested in a local builder who would build the houses in his development, but "while the homes were very well built, there was poor communication with the customers," he says. The buyers were unhappy, and the builder ultimately left the business. That's when the developer and lawyer decided to become a full-time builder. Cook took over the building company and concentrated his energies on improving its customer service. ■ "It seemed obvious that having customers be very pleased is a basic requirement for a successful business," he says. To reach that goal, Cook and his employees studied other industries, taking cues from such customer-service paragons as Nordstrom. They did extensive research in their own profession as well, reading trade publications and attending seminars. Cook joined a Builder 20 Club to gain insider expertise. "We didn't reinvent the wheel, we just changed our philosophy," he summarizes. ■ But the most important step Cook took was to develop and send out a monthly satisfaction survey to each active client. The simple survey asks clients to check off whether they are very pleased, satisfied, neutral, okay, disappointed, or upset and angry, and it provides a place for comments. Early in his relationship with clients, Cook lets them know that he sincerely wants their feedback on the survey, and his response rate has been nearly 100 percent. Cook and his superintendents review the surveys and address any unsatisfactory comments at weekly employee meetings. According to Cook, the survey has been the one tool "that more than anything changed our team's focus." Based on the success of the monthly survey, Cook is about to implement a similar evaluation to be distributed during the warranty period. ■ This laser-like focus on customer service has paid off handsomely for Heritage Homes. The company has earned not only a stellar reputation in its market area, but its revenues have increased by 300 percent in the past five years. And in 2003, it built just over 24 percent of all new single-family homes in Stevensville—custom or otherwise.—*S.D.H.*



Michael Cook

Heritage Homes Inc. of Michigan
Stevensville, Mich.
Type of business: custom builder/developer
Years in business: 9
Employees: 10
2003 volume: \$4.7 million
2003 starts: 14