**Press Release**

**WARRANTY MANAGEMENT AND CALLBACK SERVICE**

**IS THE PROBLEM, OR IS IT?**

**The *ProHome* Advantage**

The ***ProHome*** 24 Hour Emergency pager goes off. The message is from a rather frazzled Homeowner who moved into their home a few months ago. They have an electrical problem in their kitchen and can't get their outlets to work. The ***ProHome*** Service Personnel return the call. The Homeowner is instructed to check their circuit breakers and their GFI Switch in the kitchen. The Homeowner grudgingly does as he is asked. The outlets still won't work; and, the Homeowner is quick to point out that they need the outlets **now** to cook Thanksgiving dinner! The increasingly agitated Homeowner is asked to check the GFI Switch in the garage and bathrooms as well. After resetting the other GFI Switches, the power is miraculously restored.

Two things have been accomplished here, the "emergency" has been resolved, and the grateful and somewhat embarrassed Homeowner has learned that he can resolve some of his own maintenance problems without running to the Builder. The most remarkable part of this whole scenario is that neither the Builder nor the electrical contractor was involved. The whole process was handled by ***ProHome***, a Third-Party Warranty Management and Callback Service for Builders. If this had been an actual emergency, ***ProHome*** would have taken the necessary steps to ensure that the problem was handled. In the meantime, the problem has been reduced to a maintenance issue which can either be resolved by the Homeowner or directed to a subcontractor on a regular business day.

In 1983, Jack Salmans started a third-party Warranty callback service in Wichita, Kansas: At that time, the company resembled a handyman service for Builders. Over time, Salmans transformed ***ProHome*** into a Professional Warranty Management and Callback Service Company that approaches the completed home in a way unlike any other company in existence today.

For any Builder with a traditional service department, the Builder himself is always the focus of the Homeowner's attention. The Homeowner calls the Builder's office if he has any problems and then sees the Builder's employee come up to his house to repair the problem. If there is a disagreement, the Homeowner argues directly with the Builder, and if the Builder fails to agree to any of the Homeowner's demands, then the Builder is the villain. Does this scenario sound familiar?

A handyman or other service company would find itself in the same position. Any work they did would be in response to a demand by the Homeowner, and the cost would be passed on to the Builder in the form of hourly charges. If there is disagreement about what work is to be done, the Service Company would send the Homeowner back to work it out with the Builder.

If you are a particularly proactive Builder, you may have purchased a Homeowner's Warranty to cover your homes. This Warranty serves as an insurance policy for the Builder and the Homeowner, but it does nothing to address the bulk of the issues that a Homeowner may have with their Builder. Most of these issues are not covered, nor even addressed in the Warranty.

***ProHome*** has found that most Homeowner service requests are products of the inflated expectations of the Homeowner in our customer service-oriented society. The consumer believes that if they are not satisfied in any way, the provider of that product is expected to take care of it, regardless of the reason. This is where ***ProHome’ s*** greatest value is found, ***ProHome*** is the only true third-party company that manages the **Homeowner** over the course of the Builder's initial Warranty period. It is an easy step to make, says Salmans, 'As a Builder, it's natural to subcontract much of the work, so why not subcontract customer service too?" ***ProHome*** begins to influence the Homeowner from the time of signing a purchase agreement with the Builder. The Buyer must read and sign an acknowledgement of the Warranty and return this acknowledgement to the Builder before the home is closed. Already, the Homeowner has been introduced to the fact that there are things which will not be covered by the Builder.

Prior to closing, a trained and uniformed ***ProHome*** representative walks through the house with the Buyer, taking what amounts to a final punch list for the Builder, based on items the Homeowner may find. They also explain ***ProHome’ s*** involvement during the Warranty term to come. The ***ProHome*** representative educates the Buyer of general maintenance tips on their home, as well as, explaining repair tolerances in the Warranty. As a third party ***ProHome*** has the ability to complement the Builder, and set expectations, where the Builder cannot. From this point forward, ***ProHome*** takes the calls from the Homeowner, whether the calls are to ***ProHome’ s*** office during the day or to the 24-hour service center maintained by each ***ProHome*** location. ***ProHome*** also visits the Homeowner at 30 days from closing and again at 11 months at the Homeowner's request to evaluate Warranty and service requests.

It is during these Walkthroughs that ***ProHome*** can exercise its third-party influence, In Salmans' words, "Educating customers for Builders is really what we are all about. As a third party, we can explain what is covered and what is not, and we can say 'No' a lot easier than most Builders. After all, how do you take $300,000 from someone on Friday and tell them 'No' on Monday? Only a third party can do that."

The Builder still maintains control over how his customers are handled. ***ProHome*** meets with each Builder regularly for instructions and to assign work from service requests and Walkthroughs. The Builder is then kept up to date through a detailed communication and record keeping system which resides in a proprietary software system developed by Salmans.

***ProHome’ s*** service also includes a predetermined number of labor hours on each home. If the Builder chooses, he can send a ProHome Technician out to the house to fill in any gaps in is own service network. Or, the Builder can send a ProHome Technician out to take care of some of the non-Warranty items requested by the Homeowner. This can put the Builder in the unusual position of exceeding the Homeowner's expectations, which would be a welcome variation from the usual position of chasing after those expectations.

***ProHome’ s*** concept of third-party management works equally well with large and small Builders. National Builders such as Ryland, D.R. Horton and U.S. Homes are using ***ProHome’ s*** services in several markets. In some markets, the average Builder may only build 10 homes a year. The numbers are not important, the value is in the system. A large Builder with a well-developed service department can use ***ProHome*** to make his service department work more efficiently. A small Builder who hires ***ProHome*** will be hiring a fully staffed service department without having to put a single employee on the payroll.

Consumers are more demanding than ever. If they are not happy, whether it is justified or not, then consumers will force some sort of regulation on the industry. In Jack Salmans' words, "If the Builders don't take the initiative and police themselves, then it is only a matter of time until someone else forces it on them."

In addition to the Warranty term (usually a one- or two-year service), ProHome offers a continuing maintenance service for Homeowners. ***ProHome’ s*** Home Maintenance Plan is designed to sever the Homeowner's dependence on the Builder. Homeowners are offered a program which includes a predetermined number of service hours and access to ***ProHome’ s*** staff for troubleshooting and referrals, including 24-hour emergency service. It is like having a friend in the industry who knows virtually every Builder and subcontractor in town. By signing up with this program, the Homeowner is clearly acknowledging the end of the Warranty term by the Builder and taking responsibility for the maintenance of his own home.

***ProHome’ s*** addresses and solidifies problems before they become an epidemic. Even the most conscientious Builders con benefit from the addition of a professional third-party administration. Today, ProHome, Int'l. (800-899-2451) is in operation in over 130 markets across the United States the United Kingdom. ***ProHome’ s*** company owned outlets and independently owned franchises have served over 5000 Builders. The number of Builders who have recognized the value of this service shows that there is a need for a third-party influence in the New Home Construction Industry. The only company that can give them that advantage is ***ProHome!***

The lesson: Implement a plan and follow it!

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