



Reaching Out

Preferred Employer Program Boost Sales

By Gabriele Preston, CAPS

The preferred employer program is not a new marketing tool in multifamily management circles, but its potential has yet to be realized by apartment communities in general. In most cases, representatives who have promoted these programs have generally used flyers in the hopes that the employers who received them will distribute those flyers to existing and new employees. Most often, the results are negligible.

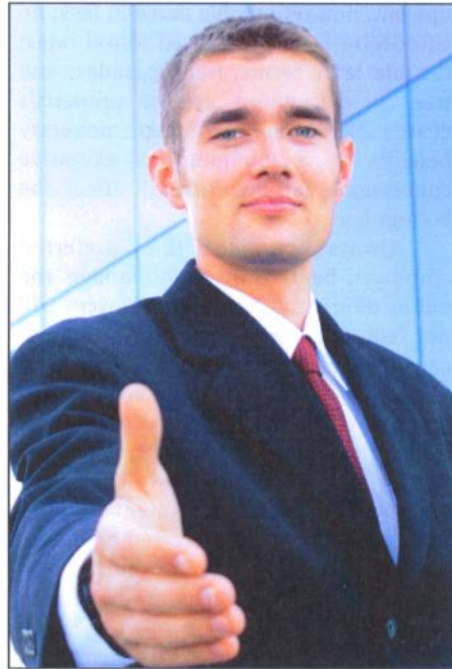
Why? Two reasons: First, the program is not marketed consistently; and second, apartment community representatives fail to maintain relationships with employer representatives.

Why It Works

There are apartment communities where 15 percent to 25 percent (and growing) of their total annual net sales are from employer referrals. A preferred employer program is designed to get the employer's cooperation in referring its employees to the apartment community. In exchange, the employer is given benefits in the form of apartment discounts and accommodations that are offered exclusively to its employees. Employees are eligible to receive these benefits if they lease an apartment at the participating apartment community during a designated period of time.

To be successful, one needs to establish a relationship with many area employers. Most employers will entertain the idea of the program, when it's marketed as a "free" benefit the employer can offer its employees.

The best way to get information to employees is to create a letter or marketing piece and distribute it via employee paychecks or something employees are



going to tangibly receive. Physical distribution will increase the chance of the employee keeping the information.

Secondary forms of distribution include electronic messages via company e-mail and the posting of information on a company's Web site. Although, these secondary forms of distribution are good, the information can be easily deleted, forgotten, or not read, and is best used in conjunction with the physical distribution of the first marketing piece.

Be Consistent

It's important to remember that upon the initiation of this program, employees may not need rental housing. So, make sure employees have access to the information when they need it. Most employer representatives will allow additional distribution of information via posters on company bulletin boards and in new hire information packets, brochure stands, and snack baskets. Building a great relationship with the employer's representative will get them to talk about the program and verbally refer employees to the apartment community.

Consistently distribute and update the marketing material for the program. Once the preferred employer relationship is established, get permission to visit the employer's representative as often as

possible. Once per quarter is generally the rule of thumb.

Never go on a visit empty handed. Gifts of food are highly recommended. More brochures, snack baskets (for employees), posters, and flyers are always good things to bring. To start a successful preferred employer program, develop a preferred employer program policy.

The policy should outline the purpose of the program, its terms, and requirements of the employer. The expectations for the employer should be clearly outlined as well as the benefits they receive. It's important to develop employee eligibility requirements.

Be sure to develop a system so you constantly update the list of preferred employers. Come up with a list of marketing pieces that should be created, used, and distributed. Finally, be sure to describe how the preferred employer account is to be maintained after it is established.

Because the program won't work without the dedication of an employee, develop a job description and compensation package for the person who will implement the program. A commission-based compensation package during the first year of inception is most beneficial. You will need a dynamic internal or external salesperson to promote the program. Be sure to set specific goals for obtaining new and maintaining existing preferred employer accounts on a monthly basis.

Be sure to give the person in charge of the preferred employee program time to get the job done. Don't just say to that person, "Well, make the time." It won't happen and, if it does, their other responsibilities and team members will suffer.

During the first year of new preferred employer procurement, expect a team



QUICK TIP

When creating a preferred employer program, develop a comprehensive brochure to market it. Be sure to develop a standard marketing piece and introductory letter for each participating employer to give to every employee to inform them of the program and their new employee benefit.

member to spend at least 20 to 24 hours per week per market area. After about 60 days of focused effort, one can expect the team member to procure an average of eight to 14 new preferred employers per month depending on the time spent seeking new accounts.

After enough preferred employers are procured within a community's market area, expect the team member to spend about one hour per preferred employer per quarter maintaining the account. Add additional time if the team member also is procuring and maintaining corporate furnished units for the preferred employers.

Tips to Make It Work

Focus on employers with 50 or more employees because they will offer most referrals. Seek out human resource associations or chamber of commerce events that bring decision-makers from area businesses together for the purpose of networking and presenting the program to groups to generate lots of leads.

On-site team members can help establish leads for the person working to procure preferred employers by asking qualified and interested prospects where they're employed. If the employer is not a preferred employer, the leasing professional can explain and "sell" the program to the prospect, give them the preferred employer program brochure, and encourage the prospect to give the information to the appropriate person in his or her company. Have your preferred employer team member follow up with that person.

The employer's commitment to participate in the program should only include the distribution of one letter or marketing piece during the term of the agreement. Other opportunities to distribute information to employees will come out of a good relationship that is built with the employer's representative.

Maintain the integrity of the program by creating an informal form that employer's and the apartment community's representative can sign to affirm the agreement of both parties. Be flexible if an employer representative doesn't want to sign an agreement. Allow employers to confirm an agreement in writing by means of a letter on their company letterhead.

Preferred employee benefits can be all kinds of things: a rent concession; no

upfront, non-refundable move-in fees; no short-term fees; discounted rental rates; flexible lease terms; free upgrades; and free or discounted use of property's chargeable amenities. Keep monetary benefits to a minimum as excessive concessions can significantly affect the bottom-line.

Always provide the preferred employer benefit over and above the public offering, otherwise employees will not feel that their receiving any sort of exclusive benefit.

Be wary of other competing advertisers that will cross the paths of employees looking for an apartment and tell preferred employers, as well as their employees, that the apartment community can't honor the preferred employer discount if the employee is referred by a third-party provider including apartment locator services, Realtors, relocation agencies, and any other advertiser that the property advertises with and charges a referral or success fee.

When running a resident referral program alongside the preferred employer program, include the following restriction to your resident referral program: "Residents who directly participate in the implementation of the preferred employer program or distribution of related marketing material at their place of employment are not eligible to earn referral fees" so that no ethics are questioned.

Remember: the goal is to create a beneficial program for the community and its preferred employers. **pro**

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ON-SITE DOWNLOADS

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