



SPECTRUM SPEAKS

THE COMPANY NEWSLETTER OF
SPECTRUM COACH & SPECTRUM LAWYERS

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Hi everyone,

When we issued our Spectrum Speaks Vol 2, we wrote about the ‘crazy few months’ we had just had, but never could we have imagined that times were about to get more crazy! Stage 4 restrictions in Melbourne metropolitan have definitely been difficult for our Melbourne clients, closed borders have meant more Zoom meetings between us and our clients and COVID generally has seen a disruption to everyone’s lives, which we can only hope by the time we write Spectrum Speaks Vol 4, we are in much better times.

Since our last newsletter (despite the COVID restrictions) we have also seen some good times:

- Both Spectrum Coach & Spectrum Lawyers have expanded and are now supported by consultants to offer our clients more services (from graphic designers, HR Consultant, onsite construction adviser, and construction finance);
- Donna was appointed as the Deputy Chair to the HIA Industrial Relations & Legal Committee; and
- Spectrum Coach launched its interactive website with training and services now at your fingertips.

Stay well,

Spectrum Coach & Spectrum Lawyers



Spectrum Coach provides tailored business coaching for construction professionals, giving you the tools you need to grow your new homes business. Fred can be contacted on:

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Specialising in building & construction law, Donna is an experienced General Counsel with legal expertise across all areas of new home builds. Donna can be contacted on:

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COVID-19 UPDATE

Restrictions have eased, so what does that mean for the construction industry?

WRITTEN BY DONNA ABU-ELIAS

On Sunday 27 September, the Government announced the next steps on the roadmap out of COVID-19. Whilst many may feel that the easing of restrictions could have been greater, we have seen some small, but welcome changes. So how does this affect the construction industry?

Below we take you through the new (and some similar) guidelines for the construction industry, in effect from 28 September 2020:

- Social distancing and wearing masks will remain mandatory (scarves, bandanas and face shields are now prohibited)
- Contract signing meetings should continue to be conducted remotely where possible, or where not possible, by appointment only
- Display Homes are also now permitted to open by prior appointment for a private inspection (but travel between metropolitan Melbourne and regional Victoria is prohibited) and customers may only visit for 15 mins
- Inspections to be conducted remotely where possible, or where not possible, they may be conducted on-site by pre-arrangement, must be limited to under 2 hours and must be within the Restricted Area
- Restrictions of 5 workers on site will also continue (with some limited flexibility for pre-base and post-fixing stages)
- Specialist contractors will be able to attend up to 5 sites per week, with a maximum of 2 sites per day
- COVID Safe Plans will continue to be required
- Unfortunately, rules around renovation works were not adjusted, and therefore only renovation works on unoccupied homes may be carried out
- Landscaping and gardening (by sole operators who have an ABN) is permitted for solo outdoor work only.



**Still confused about how the changes affect your business?
Contact Donna for a no obligation discussion.**

Spectrum Coach launches its first group training session!

WRITTEN BY FRED ABU-ELIAS

We are excited to provide you with a small update on some of the exciting things happening with Spectrum Coach.

In September we introduced our first group sales training session. Due to COVID restrictions, we completed this session over Zoom and it went off without any technical difficulties. We find when conducting any type of sales training, it will always benefit the group to work together in open casual environments. There were opportunities for the members to discuss their challenges and give advice to each other when it comes to challenges and solutions and their personal lessons learnt. We had sales consultants from regional Victoria to regional NSW to make a very diverse group with lots of learning opportunities.

Sales training was a mix of basic training (as we all need a strong foundation to start from), and then the training increased to focus on more advanced discussions about solutions to challenges and understanding the type of buyers we have to make sure that we operate in an efficient way, especially in these challenging times. A strong focus of this training session was around adding value, trust and setting exceptions.



Just to make sure everyone was awake throughout the morning we also had a little fun by having pop quizzes and laughs, and with the pop quizzes came some generous prizes. It was great to see that most people listened, not sure if it was because they wanted to learn or just wanted to win a prize - either way, the session was a huge success. Spectrum Coach has now locked in their next training session for the group in October and we will continue to run these sessions on a regular basis.

Adding Value

Spectrum Coach has gone through great growth over the last few months and with that growth has also come some changes and having to rethink how we do we business. The first change we made was to improve our website. Our new website is now more interactive and provides tools and resources for our clients to access online. These resources and tools are available in packages to suits all different levels, and to provide different services.

The biggest changes we have recently made to Spectrum Coach, is to add further value to our clients by introducing other businesses that work in this space. Catie Paterson, owner of Catie Paterson HR Business Consulting, works with our clients to provide assistance with clients human resources challenges. Suzi Susak, owner of Blue Print Business Consulting, specialises in understanding clients' financial requirements to successfully run and grow their businesses. We also work closely with Tony Denison, who is able to help our clients with onsite construction matters.

Water leaks - who is at fault?

WRITTEN BY DONNA ABU-ELIAS

A common element of building disputes relates to water issues. That is, whether it be a water leak causing damage to property or water ingress arising from inadequate site drainage. However, is it enough for a builder or plumber to say that they obtained a VBA Compliance Certificate at the completion of the building works? The short answer is probably not.

Generally speaking, all licensed plumbers must be covered by insurance when carrying out works on a domestic property and will be required to obtain a compliance certificate at the completion of the plumbing works. The plumber's insurance will cover the rectification of the defective plumbing works (where the plumbing works do not comply with the plumbing standards), any non-completion of plumbing works (due to the plumber losing his/her licence) and also public liability coverage where the plumbing works result in damage to property or personal injury.

Limitation Period

There is often some confusion about the plumber's liability. The period of insurance coverage is six (6) years from the date the plumbing work was completed or the date the plumber provided the compliance certificate (and this is regardless of whether the plumber ceases to be registered). However, this does not mean a plumber (who is still registered) is only liable for six (6) years. Under s134A of the Building Act 1993 (Vic), where a compliance certificate is issued then an action for loss or damage arising out of any defective plumbing work may be brought within ten (10) years from the date of the compliance certificate.

Limitation of Damages

Another area of confusion is the amount a plumber may be liable for. Under an insurance claim the limit for public liability is \$5m, but for all other domestic plumbing work claims, the limit is \$50,000 (and the limit for non-domestic plumbing work is \$100,000). However, this is the limit under an insurance payout, but there is no such limit for a claim under s134A of the Building Act if the plumber is still registered.

Joinder of Plumber

In light of the above, if an owner brings an action against a builder which relates (either wholly or partially) to defective plumbing works, the builder should consider joining the plumber to the claim to apportion the claim within the meaning of Part IVAA of the Wrongs Act 1958. An apportionment is available to a builder pursuant to s24AF(1)(a) when the owner claims either an economic loss or damage to property by way of a breach of contract or tort arising from the builder's failure to take reasonable care.



Sales and the all important - qualifying stage

WRITTEN BY FRED ABU-ELIAS

A critical stage in the sales process, is when you are finding out what the client wants and whether you can meet their expectations and needs, it's what we in the industry call *qualifying the client*. it's a relationship both ways. This stage is central and critical to the SALE process and provides the builder with the ability to offer a tailored solution to the prospect, it continues to build on a relationship and is key to closing to the next stage or the SALE.

In a lot of situations, because salespeople like to talk a lot we do not listen and what can often happen is that the customer is describing something and the salesperson designs something that the client did not want. So, remember 2 ears a and 1 mouth. Delivering a product that the client asked for builds credibility. This time is used for you to determine what the client's specific needs are and why they require them.

A few key things to remember will help you conduct this stage thoroughly:

- No two clients are the same so don't talk about a home you designed for a client 6 months ago - the client does not care.
- Do not make assumptions, use the floor plans that the builder has at hand to sell or design what the client wants if you are a custom builder.
- While listening to the client, ensure you uncover the underlying reasons why the client wants certain things in the house.
- And, remember to continue to build trust and work on your relationship.

Like other stages in the sales process, the 'qualifying stage', if not conducted correctly can affect your outcome of trying to close for the sales and can undo the relationship you have just built with the client. When trying to understand what the client requires in a home, we automatically go for the detail of the house, meaning we talk about what they want in a house and not what the house needs to look like based on how they live. In most cases you will hear a consultant asking questions like do you want 4 bedrooms, double garage, single or double story home. This does give you an understanding of the client's life and needs. Try to remember, they are going to live in the house, so you should take the time to want to know how they live.





Remember, by conducting a correct and thorough needs analysis, you will continue to build trust with the client, as you are asking them about their lifestyle, and the client will think this is a salesperson that wants to get to know the customer and wants to understand what is important. Clients will open up and the brick wall will come down even quicker. When trying to understand someone's lifestyle, we need to figure out what questions to ask that will engage in conversation and find commonalities. So instead of asking if they want an alfresco, ask do you like to sit outdoors a lot or do you entertain a lot and what space throughout your home can you see yourself entertaining in. If this is a topic that you have in common, share some experiences of your own. However, make sure you do not spend too much talking about yourself, as it's all about the client.

Listening carefully to the client is important as well. You do not want to produce a home that does not tick off all the important needs to the client, this will lose credibility and in turn affect your relationship.

Here are also areas of the needs analysis that you need to know. So, you also need to understand (from the builder's perspective) some critical issues, which a lot of sales consultants do not ask or sometimes feel uncomfortable asking. For example, budget, is a classic example. However, there is no benefit for either the customer or the builder, to design, cost and present a home that is out of the customer's budget. Always remember that qualifying the client will help you close the sale and gives you an understanding of exactly what the client wants.

Chat to Fred about how training on how to effectively qualify sales could help grow your business.

Taking a step back, can sometimes be a leap forward.

WRITTEN BY DONNA ABU-ELIAS

How often do you say "I wish there were more hours in a day"? Because we are so busy, the admin side of our business often falls behind. But what we often don't realise is, if we don't get the paperwork right, it can mean many extra hours fixing the problems which arise.

When is the last time you stood in the shoes of your customer and reviewed the touchpoints of your business?

- Marketing collateral they see in your displays or on your website – are all terms clear without any breaches of the Australian Consumer Laws;
- T&C's on your deposit receipt – does it clearly identify your process and any non-refundable deposits;
- Inclusions in your tender – are all inclusions and exclusions clearly noted and are the owner's obligations clearly understood;
- Signage at your showroom – do your customers understand that samples may not accurately reflect the exact finish in their home;
- Special conditions in your building contracts and specifications – does your contract reflect your business processes and each parties' obligations;
- Communications provided to your customers during their building journey – does it reflect what is in the contract and documentation;
- Handover pack at the completion of the project – does it clearly identify each parties' obligations;
- Maintenance and warranty information guides – do you protect your business from owner's maintenance obligations which a builder should not be liable for?

Do all the above documents and steps talk to each other? Do they all use the same messaging, have the same obligation and responsibilities, and do they have enough detail so if things go wrong you are in the best position you could be in? Everyone knows things can go wrong during construction, or events may happen that you could not foresee, but having the proper processes and effective communication with your customers is really half the battle.

The other half of the battle is the manner in which you engage your staff and your contractors/suppliers. Do you have enforceable terms of engagement? Do you have contractor/supplier agreements in writing that clearly identify the obligations of each party? Again, whilst we cannot foresee the future, you can at least ensure your documentation and processes are as effective as possible to protect you.

Spectrum Lawyers & Consultants offers general counsel services where we can provide the above audit for your business (either in whole or part of your business) to advise you and provide template documentation to set your business up for success.

Ride for Autism

Thank you!

As many of our clients will know from our last newsletter, Fred Abu-Elias (director of Spectrum Coach), our daughter, Alisha Vella and also a good mate of Fred, Romeo Vella, formed the RIDE FOR SPECTRUM team, and undertook the Ride for Autism in July 2020. We are proud to announce that Fred and his team rode 450km and raised \$1,829 for this cause that is so close to our hearts.

In particular, we would like to thank our clients that donated to the cause:

Hotondo Soutchoast, Madeform and Forme Homes.

This cause was so special to us, as it provides needed funds to Autism Spectrum Australia (Aspect) to ensure that the right supports are provided to people on the Spectrum to ensure they have the best life they can, but also one that is adjusted for their individual strengths, interests and needs. Aspect's specialised, evidence-informed schools program is one of the largest in the world, with additional services that include information and advice, diagnostic assessments, behaviour support, parent and family support, employment services and adult programs. So, for us, this means through Aspect's vision that Jayden will have the best possible future by providing him with the support he needs to thrive; every opportunity to fulfil his potential; and a supportive, inclusive community to live in.

