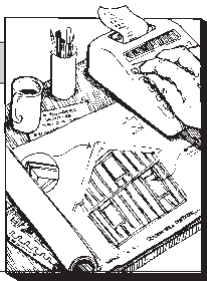


Pumping Up Your Business

by Jon Hardie



If you are in the middle of this building season without a six- to eight-month backlog of work, here are a few ideas that could put (and keep) some jobs on the burner. The objective is to spend the least amount of time and money possible selling your services, while devoting most of your time to closing and managing your jobs profitably.

- Visit the five most successful real-estate agencies in town. Meet with the principals to learn about their clients and tell them about your work. Bring a one-page handout showing pictures of your jobs and your specialties. You'll reap two kinds of customers from this effort: people who are fixing up their homes in preparation to sell, and people who are buying, building or remodeling their new purchases.

- Sponsor a soccer or other sports team this fall. Have the local newspaper send a photographer to take a "proud sponsor" picture of you and the team as you hand out the new uniforms (emblazoned with your company name, of course).

- Run fall fix-up and remodeling ads in the local paper, offering to work alongside the owner for a 5 percent discount (after you raise your prices 20 to 30 percent in order to operate profitably and pay yourself what you are paying your head carpenter).

- Meet with the loan officers at the local banks to discuss joint projects. With interest rates down, many home owners

return will be closer to 80 percent.

- Collaborate with a local lumberyard at the area home show, or put on your own home show or open house with several other tradespeople. People who are thinking about building and remodeling will appreciate the opportunity to talk with all the potential players—electricians, plumbers, HVAC engineers, landscape architects, painters and you—in one place.

- While you're at it, form a co-op and agree to refer jobs to members of the group. It saves thousands in franchise fees, and the customer has the advantage of getting everything from a single source.

In addition, a builders' co-op has some negotiating power when it comes to getting hefty discounts on materials. And once you get over your resistance to working cooperatively, you will discover a whole range of profitable benefits. You can reduce your liability premiums with group insurance, cut your overhead and other costs by sharing a bookkeeper and hiring a purchasing agent to buy for the group, and take on larger, more profitable jobs by working together.

- While you're checking prices, check to see that the costs of materials, labor and subs haven't crept up and eroded your profitability. You may find that you need to revise your formula for projected gross profit, expenses and net profit. It's high time you started keeping some of that

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are using their equity to obtain loans for remodeling. Offer to guarantee your work and cover some of the advertising costs involved in a joint bank-contractor package deal. (It won't hurt your relationship with the banks, either.)

- Arrange to speak on a panel with your banker at the local Lions, Elks and Kiwanis clubs on the pros and cons of refinancing and remodeling vs. new construction in times of low interest rates. Take advantage of all opportunities to speak at public gatherings—even if it means standing in for the mayor at the universal chicken lunch.

- Offer remodeling seminars with a plumber, electrician and drywall specialist. When people see what it takes to do the job right and meet local codes, they'll ask you to do the job. Offer to make house calls for do-it-yourselfers at a profitable hourly rate.

- Consider a direct-mail campaign. In general, direct mail generates a 3 to 5 percent return, so for every 100 letters you send, you can expect three to five prospects (and you're likely to close on one out of 10). On the other hand, if you send a mailing to your old customers and suggest an incentive for every referral—a \$25 savings bond, for example—your rate of

money you've earned.

- Last but not least, learn how to say no to unprofitable jobs. ■

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