



First impressions are vital to how you're perceived by clients and prospects. That means ties and jackets for the boss and sales staff, uniforms for the crew, and crisp paint for company vehicles.

Letting Them Know You're The Best

by Len McAdams

You do good work. Now take these practical steps to make sure your customers know it.

Doing good work just isn't enough if your goal is to increase the size and range of the business you do. Why not? Because we live in a world of impressions, and how you are perceived has everything to do with the number of customers that will come your way.

Can you imagine a Fortune 500 company—no matter how superior their product—without a marketing department? These giants got where they are because they know their markets and aggressively promote themselves with both old customers and new prospects.

Yet good marketing is even more critical to remodelers. As a service industry, we rely heavily on how customers feel about us. And most of us aren't big enough to grow based solely on reputation, nor do we have the size to sweat out the lean times if we are passively waiting for our next client to call.

But marketing your company doesn't have to mean hiring high-priced consultants or changing the work you do. It does mean becoming more conscious of how others perceive you and making sure that your quality and reliability create a lasting impression.

I spend a lot of time in my nine-year-old design/build remodeling business making sure we do the best work possible, but I put just as much energy into marketing and promotion to make sure that an increasing base of homeowners in our area know about that good work.

The "M" Word

So what is marketing anyway? It's hard to pin down, but here are four things that come to mind:

- Research on what business opportunities exist for your company.
- Knowledge of what consumers want in goods or services and how to

approach them for their business.

- Improving your company and its product so that it can deliver what the consumer wants at a price he or she is willing to pay.
- Promotion of your company and its product and services through a range of media.

It's no accident that only one of the four items involves promotion. Promotion is crucial if growth is your goal, but until you've done your market research, most promotion will miss the customers you want most and may even clog your system with unwanted inquiries.

So where do you begin? Try answering the following questions completely and accurately:

- Who are you?
- What is the product or service you sell?
- Who are your customers?
- How do you differ from your competition?

Now boil your answers down to no more than three sentences each. Done? You've just begun your new marketing program. Actually, this little exercise isn't easily if you are being thorough, but if marketing were easy, everyone would do it well, and there'd be no advantages to be gained.

Applying a Marketing Approach

I frequently meet people with a good track record in small-job remodeling and a little capital who want to broaden their customer base and build a company that will break the hand-to-mouth cycle. The question for them is how to get started. Here are some of the suggestions I give them.

Analyzing your business. Just because you haven't been promoting your work doesn't mean it isn't a fine base to build on, but first you need to know what value it has. Take a look at your last few years and pay particular attention to the jobs that have produced the best profits and the happiest customers.

Let's say that in the last four years, your 15 most successful jobs were high-

end bathrooms. Looking at them more closely, you discover that your customers on these jobs were married couples in that "thirty-something" category. Okay, now it's time to start asking questions that will help you assess the strengths and weaknesses of your company.

Start with those past customers. Tell them that you are planning to expand and need candid answers to help you build a better company. Ask questions that will help reveal what they particularly valued in your relationship with them. Is it workmanship? Or your sense of design when it comes to tilework? Your ability to make them feel taken care of as a customer? Also ask questions about perceived value, what they'd like to have seen handled differently, etc.

But don't stop with your successful jobs. Take the time (and find the courage) to talk to some tough customers too; friends won't report the most important shortcomings you'll need to overcome. And then turn the same questions on your employees, your suppliers, and yourself.

Drawing some conclusions. Some pretty revealing facts will begin to appear as you gather others' impressions. You already know that your most profitable jobs have been master bathrooms for "yuppie" couples, but you may also find out that a lot of your customers mentioned your lead carpenter as being friendly and helpful. And your part-time office person has revealed that over half of the referrals calling in mentioned the tilesetter you use.

Going back over time cards, you discover that you haven't spent much time supervising these jobs, but you did work closely with the customers on the design. And finally, let's assume research shows that your geographic area has a substantial number of two-income professional families. They live in homes over 15 years old in numbers that will support twice your current master-bathroom projects without your taking over more than one percent of that market.

Like it or not, your customers will judge you not on your expertise as a builder, but on things they are most familiar with: your appearance, their contacts with your employees, how clean your building sites are

Developing a promotion plan. So you've figured out your strengths, and you know there's a market for what you do well, but how do you get that across to the people who should be dialing your number?

Start with your name. If bathrooms are your specialty, make sure they get mentioned. But so as not to restrict yourself in the future, use "So-and-So" Remodeling & Design, and then follow that with "Fine Bathroom Construction" in all your bathroom promotion literature.

You'll also need a logo. Consider arranging with a local technical-school marketing class to pay a prize fee to the student who comes up with the best one. Students should also make suggestions about color schemes for promo-

tional material, but check these with printers, jacket suppliers, sign painters, etc., to make sure your choices won't cost too much or create delays in restocking these items down the road. Now you can order stationery and forms, business cards for yourself and your employees, door hanger flyers for houses in the neighborhood where you're working, and a simple one-page brochure. Given the market you've defined, tailor all your promotional literature to your upper-middle-class clientele in language and type style. Consider using buzz words like personal service, expert tile installers, friendly and professional. Graphics should be architectural in nature, with no cute "clip art" or amateur drawing. Above all, keep colors, type styles, language and presentation consistent.

You might also hire a sign painter to make jobsite signs. If you use a material like corrugated plastic, it will keep unit costs low and make it easier to discard them as soon as they begin to look shabby.

The importance of appearances. Like it or not, your customers (and potential customers) will judge you not on your expertise as a builder, but on the things they are most familiar with: your appearance, their contacts with your employees, how clean your building sites are, etc. Here are a number of things you should consider to make sure you are giving your customer the impression that matches the careful work you do.

If your company truck has accumulated a few years and a few dents, have it repaired and then painted with the company colors, name, and logo (see head photo). Tell your employees that the truck is now a symbol of the new

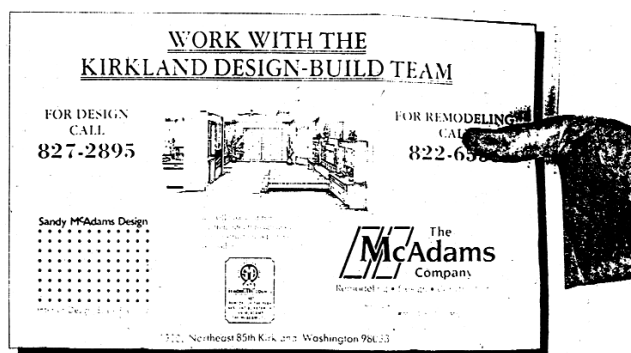


Figure 1. This handout gives the prospective client something to take home from the home show. But it's the personal contact at these shows—and follow-up phone calls—that bring your company to the customer's mind when he or she is ready to act.

company image and ask them to take some personal pride in its appearance.

Also explain to your field personnel what you are doing to bring in additional business for the company. Talk about the types of jobs you're targeting and explain the customer profile. Make sure that everyone understands that quality and referrals are the lifeblood of the company and give them authority to stop work on any job at any time if they don't feel that they'll be able to produce top notch work with the manpower, tools, and materials on hand.

After explaining to your crew the value of appearances to the homeowners, ask your crew to help choose a uniform—something as simple as a T-shirt and cap with the company name embossed on them—for the jobsite. Be prepared to insist even if it means firing a skilled tradesman who doesn't want to wear "a monkey suit." Appearance and attitude are that critical to your

success.

Over the next six months, add personal grooming hints to your regular training program for field employees. Order company jackets to be given to employees who stick with the company six months or more—they can become a kind of status symbol. Key employees should be allowed to buy jackets for family members, or given additional jackets for outstanding performance.

And the boss isn't exempt either. Even if you began your career as a tradesman with a vow never to wear a tie, purchase some dress slacks, long-sleeved shirts, sports jackets, and conservative neckties and wear them. If you do have to work on site, stop at home to shower and put on a tie and coat before visiting current or future clients to discuss business. Sound extreme? It isn't. By dressing like a businessman, you'll be taken as one and set yourself apart from your less profes-

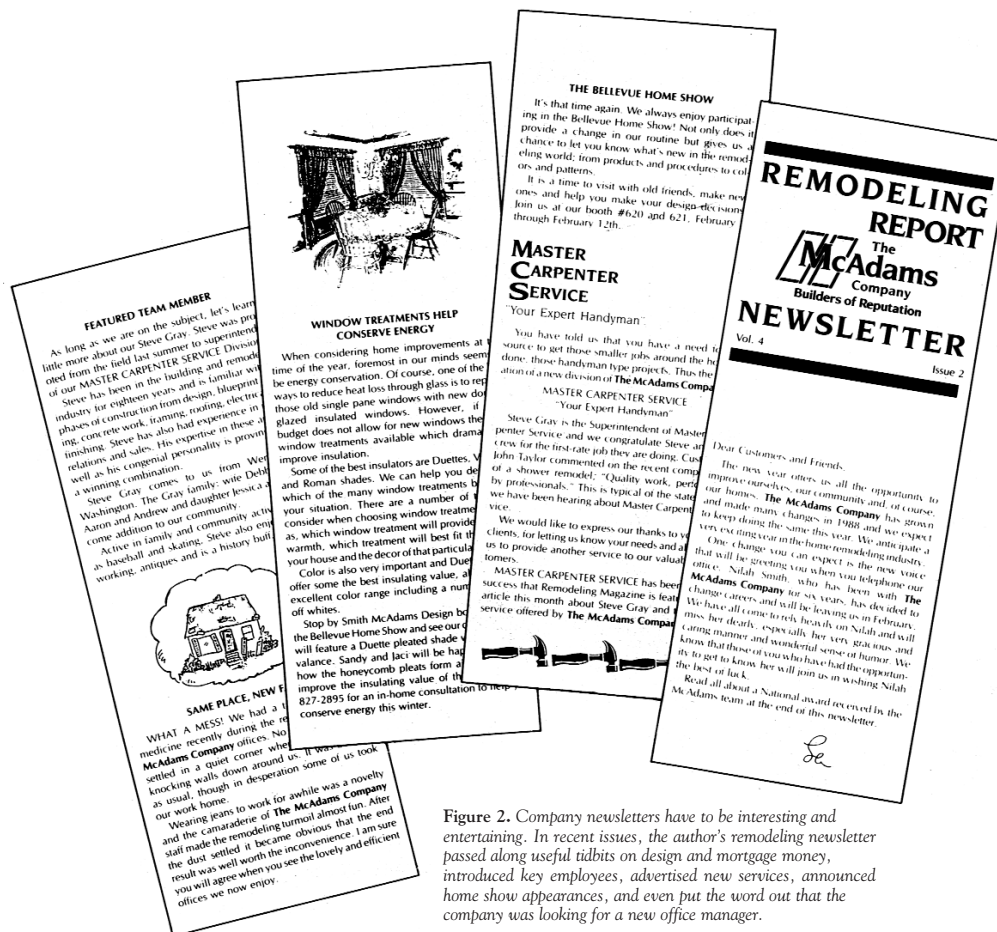
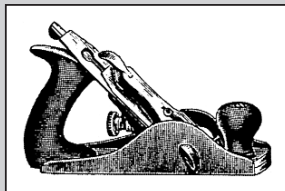


Figure 2. Company newsletters have to be interesting and entertaining. In recent issues, the author's remodeling newsletter passed along useful tidbits on design and mortgage money, introduced key employees, advertised new services, announced home show appearances, and even put the word out that the company was looking for a new office manager.



Master Carpenter Service— A Case of Listening to Customers

Sometimes market research is as simple as listening to your customers and prospects. To help accomplish this, we add a few extra questions to our sales presentation, including Is there any type of home service you need that our company doesn't offer? Sometimes customers will blurt out a need you already provide, but other times you will be asked to do something you haven't done before. Pay attention to these requests—they may be the tip of a profitable iceberg.

If you think you've stumbled on to something with the responses you're getting, follow Tom Peters' advice and "try it on real people" as quickly as possible. Don't start a major advertising campaign; just put out the word on your new product or service as part of your regular promotion. Or, if it's a case of wanting to raise your markup to provide a higher level of service, try hiking

the percentage of markup on every other bid for a month and then see if there are enough "yes" answers at the higher prices. It was a combination of these techniques that brought my company a new line of business last year.

For years we had been turning down requests to do "handyman" work for the same reason most remodelers do: it's hard to keep quality and profit at respectable levels with "bits and pieces." But last December when things were slow, we ended up with one of these small jobs.

One of my estimators bid a bathroom repair in a rental for an acquaintance of mine. Although we tried to refer this to our favorite local handyman, he turned it down as too complicated for his skills. The customer accepted our price, which was high enough to provide the same level of service we give on much larger jobs, and we ended up with a tidy profit.

We began to accept all small job requests, bidding high enough to justify the extra management, and publicized our new efforts in our newsletter. Our customers responded very favorably as did their friends and neighbors, and we now have a full-time estimator for what we call our Master Carpenter Service.

This line of business is not without problems. Multiple small jobs are a challenge to manage, and we had to change our production methods. We set this work up as a separate department.

But the benefits have been tremendous since this represents both an additional source of revenue from our existing customer base, and a way of increasing our contacts within the community so the number of households we serve is significantly increased. I'm very glad we listened, but our first customer had to nearly knock me down to get my attention.—L.M.

sional competition before a word is said.

Putting it to work. Now that you and your company are spruced up, it's time to get out there. Begin by updating your company's mailing list. Gather the names of all former customers, recent prospects, suppliers, subcontractors, and anybody you or your employees know even casually.

Send announcements to this list heralding your name change and your commitment to the master bathroom market. Somewhere in the announcement, ask for referrals by telling these friends that you depend on their help. You should continue to ask for your customer's help every time an opportunity arises, and you should make sure the opportunity arises often.

You should also design a form for taking telephone leads. It should include key questions about the source of the lead, the timing of customer's construction plans, budget, financing, etc. Have your office help fill this form out for every incoming lead (and don't forget to do it yourself), and then tally these leads monthly.

You may also want to design a form to send each customer after you've completed their project, asking for their help in improving company service. These report cards are very helpful in fine-tuning project management, a good source for customer testimonials to use in advertising, and often a real boost for everybody's morale.

Some Finishing Touches

The steps I've described so far are a good beginning. You have discovered who your customers are, that they buy on a referral basis, and that the skills and personal handling your company

provide are highly regarded. You've begun to build an image for your company that is carefully tailored to that set of criteria, and you've opened communications with your most valuable asset, your established client base.

To date, you've spent a very small amount of money compared to "shot-gun" advertising in the newspaper and/or Yellow Pages, and you should begin to see some immediate results if you have correctly interpreted your survey and made wise promotional choices.

But you'll need some additional promotional schemes if you've set rapid growth as a goal. Here are a few resources which have been useful to me in promoting my business.

Home shows. There is no environment quite the same as a home show. We meet most of our nonreferred customers at one of two home shows annually. Since we are a personal service company, we like to meet customers on a personal basis.

Two caveats about home shows: First, these homeowners are seldom ready to do business when they come to the show. Make sure they go home from the show with your literature (see Figure 1), but solid long-term follow up is critical to being there when their itch to remodel finally becomes irresistible. Also, if you hold a drawing at a home show, make sure it is for your product or service. A drawing for a microwave identifies you as an appliance salesman.

Newsletter. Our company newsletter has kept us in close contact with the people we already know (see Figure 2). We keep it news- and people-oriented. The real key for a newsletter is to have it read, so it must entertain and be of value to the reader.

Trade associations. Participate in your local NAHB or NARI affiliate remodeling association. If there is no organized contractor referral system in your area, help start one. Learn to compete with the highest caliber contractors, and you will soon see that there is more quality work available than all of you can do.

Public relations. This is really subject matter for another entire article. Nothing as inexpensive can do as much for your company image—and ultimately the bottom line—as becoming the recognized expert in your field. When you are in print or on the radio or TV the consumer confers immense credibility on you. If they know how lucky they are to have an important person like you working on their proposal, how many "think-it-over" or "waiting-for-another-bid" objections will you have to hear?

Public relations is just plain hard work like any marketing effort. Get started by entering every contest you can—if the association does not have a contest, start one! The sooner you are an award-winning remodeling company, the better. Send letters to the editors of local newspapers and the columnists who write on home-related subjects. Always respond to a remodeling article with a compliment (this is sometimes difficult to do) followed by some added facts, then volunteer to help in the future.

Local leadership. Get to know the powerful people in your community. Start close to home with church and school, then branch out into Chambers of Commerce or other civic groups. Connections in this power base will help keep you informed of additional

opportunities for public recognition. As you become more successful in your business life, these organizations provide opportunity to "give back" something to society. At the same time, many of those civic leaders will fit your customer profile.

Promotion of your company, your product, and your services is a continuous task that should be made a significant part of every work day. Decide to be the best at what you do, and then never stop telling yourself, your employees, and your customers how well you intend to serve each person who hires your firm. Prove it to yourself by making the tough decision to provide warranty service to a difficult customer. Prove it to your staff by praising and promoting those who cater to the customer's wishes, and by sacking the ill-mannered and inconsiderate, regardless of technical skills. Prove it to your customers every day—they are the future of your business.

The ambitious marketing strategies practiced by Madison Avenue seem rather remote from Mrs. Johnson's kitchen remodel, or Mr. Monroe's reroofing project, but using these techniques can help you be perceived as different from your competition. However intangible qualities like professionalism, reliability, competence and permanence may seem, consumers will gladly compensate you for the value they add. ■

Len McAdams' design/build remodeling firm, The McAdams Company, is based in Kirkland, Wash. He has won numerous awards for his work and is currently serving as president of the Seattle Master Builders Association Remodelers Council.