



# FOLLOW-UP VISITS WIN REFERRALS



FOR GENERATING  
NEW BUSINESS, THERE'S  
NO SUBSTITUTE FOR  
PERSONAL CONTACT  
AFTER THE JOB



BY PAUL ELDRENKAMP

**A**fter nine years in business, we've finally found a marketing program that works. Spending money on advertising, press releases, and the rest might be useful for some companies. But because we are small, we put our time and money into a program that gives us the biggest return on investment.

Like most remodelers, my best source of business is referrals or jobs from past customers. There's no substitute for personal contact with former clients to keep my company fresh in their minds. So instead of sending out cards, thank you notes, and Christmas gifts, I regularly go out and visit my past customers.

Of course, I can't walk up to their doors and say, "Hi, I'm here to ask you for more business." So I've combined my visits with an informal warranty program. This gives us a reason to keep in touch with our clients and, at the same time, lets us monitor our jobs to see how they hold up over time. It also demonstrates our concern for our customers and their continuing satisfaction with our work.

In the two years since we instituted our follow-up program, our referrals have increased by 20%. The number of exclusive leads, those where the client asks us to do the work without bidding it, has increased from 33% to 68%. About 70% of our exclusive leads turn into contracts.

## How the Program Works

Our follow-up program has three phases: an exit interview, a phone call or visit at six months, and yearly visits after that. I leave myself room for additional visits in case there is a problem that can't wait until a scheduled visit. I also spend extra time visiting high-maintenance customers — those who need lots of attention. If you can keep them happy, these are the people who often give you the most referrals.

I always make these visits by myself. That way I don't have to pull carpenters off a job site. I also schedule the appointments myself and ask the clients to prepare a list of repairs they'd like me to make during my visit. I arrive at the site with a tool box, ready to make minor adjustments, apply a few dabs of caulk, or plane a door.

If there's more work than I can wrap up in an hour or so, I have a member of the crew follow up. I try to use the person who served as lead carpenter on that job. I also make it a rule that we get back to finish up the work within a week. Otherwise the clients start to get angry and we look bad.

**Exit interview.** Approximately one month after the final payment

is received, I stop in for an hour to talk with the homeowners about the job and to make any repairs. We used to send out job evaluation forms, but the information I got back was superficial and not very useful. People are more likely to open up in person, and they appreciate the opportunity to talk about the project and the experience.

I always ask three questions: What did we do particularly well? What could we do better? Is there anything else about this project you'd like to discuss? Once I get the customers talking, the information I come away with is invaluable in planning similar jobs.

**Six-month interview.** The second phase of our program is a phone call or visit six months after job completion. I'm not scientific about whether I visit or phone; it depends on how big the job was or what type of client I'm working with. Sometimes the deciding factor is whether I'm in their neighborhood.

If I don't visit, I simply call and ask how the job is holding up. Of course, if they need service I get over there as soon as possible.

**Yearly visits.** These are really the crux of our program. I visit as many of our past clients as possible at least once a year. Since I started my company, we've had about 200 clients and done 325 jobs. I try to make two visits a week. I also try to reach at least two clients per week to schedule more visits. In practice, I end up visiting about 75 per year. Some people have moved away or are just too busy to meet.

To remind me when a visit is due and to whom, I use a computerized reminder program called First Things First (Visionary Software, P.O. Box 69447, Portland, OR 97201; 503/246-6200). I also mark the dates on a yearly planner, which I take along on all my visits. During my conversation with the clients, I pull it out and mark in a date for our next visit.

## Building Relationships

The typical yearly visit lasts about an hour, much of it spent catching up on the customer's family and any neighborhood gossip. But the approach varies according to the client. I arrived at the home of one young couple (with important jobs and no children) at 7:30 a.m. and finished up before 8 a.m. We spent five minutes on pleasantries and got right down to business on a short list of items they wanted repaired. The visit was terse but within seven days we got phone calls from two of their friends.

By comparison, I spent two hours with another client, a political science professor at a local college.

We sat on his deck and tried to change each other's political opinions for most of that time. I often don't have this kind of time to spend so I tend to schedule my visits for the end of the day — when I have an excuse to get away. But now and then a long visit with a client who is more like a friend is a real treat.

Even when a job doesn't go as well as we hope, calling on clients after the job is done is a good way to turn lukewarm referrals into enthusiastic ones. This takes courage, but when you show up a year later at a job that had problems, armed with block planes and caulking guns, all of a sudden the customers can't remember just what it was that irritated them before. They associate you with the finished product, which they're enjoying.

Our follow-up program also gives us a chance to see how our building techniques, products, and designs hold up. During the visits, I ask how the customer's perspective on the project has changed. Once they've lived in the space for two or three years, they have some clear ideas about what they would have done differently.

For example, we built a bedroom addition for one client when her children were very young. At the time, she couldn't imagine wanting the master bedroom on a different floor than the children's rooms. Now, six years later, she wishes she'd put her bedroom in the attic — as far as possible from the kids' rooms. This is valuable feedback to offer a client considering a similar expansion.

We've also become leery of wide-plank T&G wood flooring. It expands and contracts wildly, espe-

cially if there's a basement below, leaving wide gaps between the planks in the winter. Now we warn clients so they won't be upset when the gaps appear.

## I have, in moments of inappropriate enthusiasm (or temporary insanity), volunteered to do unreasonable things

Similarly, we avoid drywall or plaster returns around doors. We've found if you have several doors, or a door and a window, set close together on the same wall, you're likely to get hairline cracks radiating from the corners of the returns.

### Realistic Expectations

We can't keep our work looking spotless, shiny, and new indefinitely. So we avoid setting expectations too high among our clients and are careful about how we present our program. I don't even mention it to prospective clients. Some remodelers use their warranty as a sales tool. But after doing some market research (I hired a friend with an MBA for the task), I found that a promise to come back once a year after the job is done will not sway our clientele. In fact, most people don't believe you'll do it anyway. So offering this sort of service up front is not likely to change a lead into a job.

We also avoid mentioning our program in our contract. In Massachusetts we're required to provide a one-year warranty. I don't like to commit to anything beyond this in writing. There's always that risk of getting stuck with a cranky customer or some guy who's determined to put me out of business.

I stay away from organized warranty packages as well because I don't think clients understand how they work. No matter what you tell them, they think they're paying more to get a warranty. And most clients don't believe the warranty will do them any good anyway.

So far, clients have never asked us to do anything unreasonable, like repainting the interior after their child went wild with a crayon. I have, however, in moments of inappropriate enthusiasm (or temporary insanity) volunteered to do unreasonable things.

In one instance, a client was disappointed three years after we did her bathroom because the light gray grout she had specified was discolored and stained. I should have said, "I'm sorry, but that's something we can't do anything about at this point. We will warn future clients that this shade of gray

# Reviving Dead Leads

by Mark Richardson

Most remodeling contractors, when they lose a bid, unceremoniously tip the file into the garbage and spend the next day or two alternately mad at the customer for not selecting them and mad at themselves for losing the bid.

At Case Design-Remodeling, our approach is different. We still kick ourselves for losing projects and may direct a few expletives toward the clients, but we save that file so we can call the clients back two or three months down the road. In the course of putting in a bid we get to know the clients well. We have a good understanding of what their tastes are and what sorts of projects they might have down the road. We don't intend to give up on them just because we lost one job.

How do you call back customers after losing them to another remodeler? What do you say? Isn't it unethical? These are the kinds of questions remodelers ask when I tell them about our approach. The answer to all these questions is the same: Focus on the relationship with the customers, not on the project.

That means we're calling people to see how they're doing, not to spy on the other remodeler. The first few minutes of the conversation are awkward, mostly because the customers still feel bad about rejecting you and can't imagine why you'd want to call them. I usually give them a reason for calling right away — I was in their neighborhood, I ran into someone who knew them, I found their file, or I was think-

ing about them.

Sometimes I don't mention the project, although most people will bring it up if you stay on the phone long enough. If the project is going well, I say I'm happy to hear it and ask if they'll keep us in mind for any future work. If the customers are having problems with their project, we don't try to take over. The last thing I want is a half-finished job and soured customers. I might listen to their problem and help them to see where the other remodeler is coming from. Or I may simply say, "I'm sorry it's not working out as you'd hoped." But that's as far as I go.

Six months later, if the first conversation went well, I call the customers again. This time they're not so surprised to hear from me and the conversation flows more easily. I always ask if we can bid on any additional work. I also work to establish my company as a resource for them. I ask them to call if they need a landscape designer or a roofer, or if they need advice on home maintenance, for instance.

We haven't actually tracked the number of referrals that come from these calls, but we get enough, perhaps 15 to 20 a year, to make our efforts worthwhile. By calling these customers back, we leave them with a good taste in their mouths. They don't wince every time they hear our name and we don't feel angry every time we drive past their home.

*Mark Richardson is vice president and director of design for Case Design-*



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doesn't wear well." Instead I offered to regROUT the floor (very small tiles plus very large floor equals miles of grout lines) with a darker gray grout. This was much more than I needed to offer to meet my objectives of learning from past mistakes and maintaining a client's loyalty!

To compound my foolishness, I didn't follow through on my offer for several months. The client, of course, remembered and reminded me periodically. Finally, to get it over with, I decided to stain the grout. The product worked, but it took three days to get it looking good and my crew was not at all happy with me.

### Hard Costs

My company does about \$500,000 in annual sales. Our program costs about \$2,500 a year (not including the two or three hours per week I spend on the visits).

In the past, I spent \$2,000 a year on advertising. This provided some good exposure, but it generated few leads. (A really successful ad program requires a large budget and help from a professional agency.) Since many of our fellow New England remodelers are scraping by with whatever work they can get, we think our program, while it's a lot more work than simply running an ad, has paid off by keeping us at work on the kinds of jobs we like best.

There is also a fringe benefit: Seeing past clients is fun. It's a real lift to do a job well and have the homeowner appreciate your effort. It's as gratifying to go back and see they still enjoy your work as it was when you first did it. ■

*Paul Eldrenkamp is president of Bygmeister Associates Inc., in Brighton, Mass.*